

THE MULVIHILL PREMIUM FUNDS

Annual Report 2000

Mulvihill Premium Funds

First Premium Income Trust

First Premium U.S. Income Trust

First Premium Oil & Gas Income Trust

Sixty Plus Income Trust

Global Plus Income Trust

Mulvihill Summit Series

Digital World Trust

Mulvihill Platinum Series

Pro-AMS U.S. Trust

Annual Report 2001

Mulvihill Premium Funds

MCM Split Share Corp.



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The Mulvihill Premium Funds

Commentary

April, 2001

Equity markets experienced a sharp reversal of long-standing growth trends during 2000. The year began with both Canadian and U.S. economies expanding at an unsustainable pace, and many stocks pushing to record highs, particularly in the technology sector. However, by year-end, a sharp slowdown in economic activity in the U.S. had set in, and technology stocks had undergone a severe correction.

All the major U.S. and foreign market indices recorded negative returns for the year. The strong uptrend of the TSE 300 was also reversed, but the Canadian market was one of the few to record an overall gain, with a total return for 2000 of 7.41 percent. A major factor in both the rise and fall of the TSE was the performance of Nortel Networks shares after the company was spun off by its parent, BCE Inc. Early in the year, Nortel shares soared to a high of \$124.50, accounting for more than one-third of the TSE 300 Index, but began sinking towards year-end, taking the Index with them.

The valuations of many technology stocks were significantly reduced as investors reacted to reduced growth and earnings expectations in a weakening economic environment. Stocks in the e-commerce and telecom sectors were particularly hard-hit, with the tech-heavy NASDAQ exchange losing roughly half its peak value.

Stocks in other sectors fared better, as investors began returning to value-oriented "old economy" companies in sectors such as financial services, oil and gas and health care. The financial sector benefitted from expectations of lower interest rates as the year progressed, and higher world energy prices bolstered stocks of oil, gas, pipeline and utility companies.

The U.S. slowdown reflects reduced capital spending on telecom and information-processing equipment, including personal computers and software, as well as slackening consumer demand for motor vehicles and other durable goods. These trends are spilling over into Canada, particularly in the automotive sector, which exports much of its output to the U.S. However, the overall slowdown is less pronounced in Canada than in the U.S., as other sectors such as energy retain considerable momentum. Governments in both Canada and the U.S. are now in a stimulatory mode, planning or making moves to reverse the slowdown through tax cuts and reduced interest rates. Similar measures are being taken abroad, though latitude for rate reductions in Europe is limited by persistent inflationary concerns. As a result, consensus opinion foresees a shift back to a sustainable growth trend in the latter part of this year.

Uncertainty as to the specific timing of this renewal of growth is generating increased market turbulence and volatility. This market volatility will, however, continue to benefit the Premium Funds as significant amounts of option premiums can be generated in this type of market environment.

John P. Mulvihill
President
Mulvihill Capital Management Inc.

Donald Biggs
Vice President, Structured Finance
Mulvihill Capital Management Inc.

FIRST PREMIUM INCOME TRUST [FPI.UN]

Annual Report 2000

December 31, 2000 and 1999

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Investment Highlights

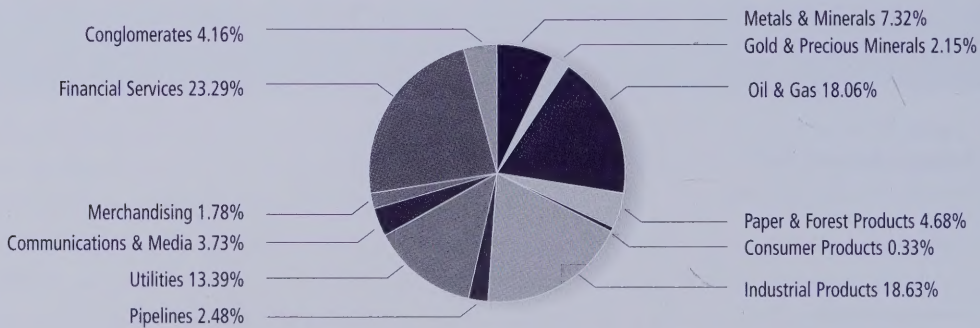
Investment Objectives

The Trust's investment objectives are to provide unitholders of the Trust with a stable stream of quarterly distributions of at least \$0.50 (\$2.00 annually) per unit while returning at a minimum the original issue price of the units to unitholders upon termination of the Trust.

Investment Strategy

The Trust intends to achieve its investment objectives by investing its net assets in a diversified portfolio consisting primarily of common shares issued by major Canadian issuers that are in the top 200 of the TSE 300 by market capitalization. To generate additional returns above the dividend income generated by the portfolio, the Trust will write covered call options in respect of all or part of the securities in the Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Asset Mix



Distribution History

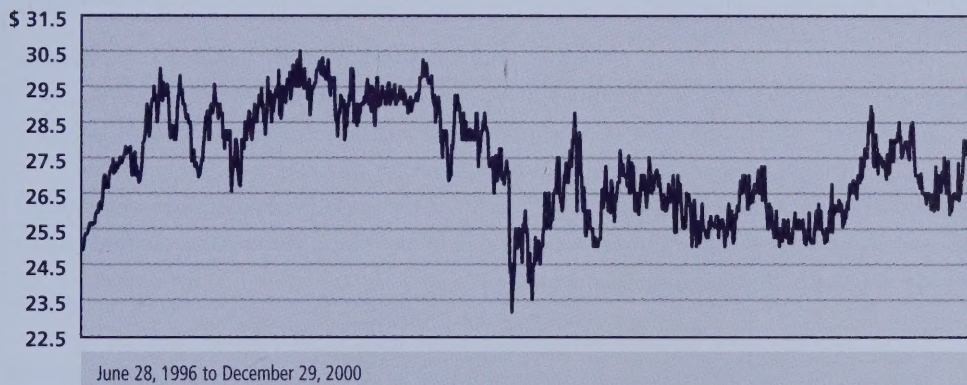
Inception Date: June 1996	Regular Distribution	Special Distribution	Total Distribution
Total for 1996	\$ 1.00	\$ 0.50	\$ 1.50
Total for 1997	2.00	1.50	3.50
Total for 1998	2.00	0.75	2.75
Total for 1999	2.00	0.50	2.50
March 2000	0.50	0.00	0.50
June 2000	0.50	1.00	1.50
September 2000	0.50	0.50	1.00
December 2000	0.50	0.50	1.00
Total for 2000	2.00	2.00	4.00
Total Distribution to Date	\$ 9.00	\$ 5.25	\$ 14.25

Top 10 Holdings:

Nortel Networks Corp.
The Toronto-Dominion Bank
Petro-Canada
Canadian Imperial Bank of Commerce
Alcan Aluminium Ltd.

Bank of Nova Scotia
Anderson Exploration Ltd.
Thomson Corp.
BCE Inc.
Talisman Energy Inc.

Trading History



Commentary

As of December 31, 2000, the net assets of the Trust were \$167.85 million, or \$25.16 per unit, virtually unchanged from the net asset value per unit of \$25.33 at the end of 1999. A total of \$26.66 million, or \$4 per unit, was distributed to unitholders during 2000, made up of a regular distribution of \$2 per unit, plus a special distribution of \$2 per unit. Based on the initial price of \$25 per unit, these distributions represent a yield of 16 percent for the year. The Trust's units, listed on the Toronto Stock as FPI.UN, traded at prices ranging from a high of \$28.95 to a low of \$25 during the year.

The TSE outperformed most of the world's equity markets during 2000, registering an overall return of 7.4 percent, while most other foreign equity markets posted negative returns. Towards year-end, however, the slowdown in the U.S. economy began to influence Canadian market valuations. Volatility increased, and these conditions are likely to persist for some time to come. A favorable aspect of this volatility is the fact that it permits the Trust to generate high levels of premium income from covered call and put option writing.

In March of 2000, the Trust amended its investment policy to permit the purchase of any stock included within the top 200 names of the TSE 300 index. The new policy allows participation in fast-growing market sectors such as telecommunications and technology. Despite current turbulence, these sectors have strong growth prospects, and also provide significant opportunities to earn premium income.

The Trust's investments remain conservatively positioned, with particular emphasis on the continued strength of the energy sector, as well as the financial services sector, where new legislation will soon allow bank mergers. A summary of the Trust's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Trust's unitholders for their continuing support.

Auditors' Report

To the Unitholders

We have audited the accompanying statement of investments of First Premium Income Trust (the "Trust") as at December 31, 2000, the statements of net assets as at December 31, 2000 and 1999, and the statements of financial operations, of changes in net assets and of gain on sale of investments for the years then ended, and the statements of financial highlights for each of the periods or years (since inception) in the five-year period ended December 31, 2000. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2001

First Premium Income Trust

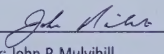
Financial Statements

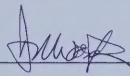
Statements of Net Assets

December 31, 2000 and 1999

	2000	1999
Assets		
Investments at market value (average cost - \$100,525,000; 1999 - \$108,856,791)	\$ 107,112,660	\$ 117,394,134
Short-term investments	60,615,391	52,803,833
Cash	3,636	-
Dividends receivable	404,181	519,098
Interest receivable	384,108	281,083
Subscriptions receivable	132,514	45,341
Due from brokers	-	1,249,280
	168,652,490	172,292,769
Liabilities		
Overdraft	-	3,330,750
Due to brokers	573,750	-
Accrued liabilities	227,147	209,418
	800,897	3,540,168
Net Assets, Represented by Unitholders' Equity	\$ 167,851,593	\$ 168,752,601
Number of Units Outstanding (Note 5)	6,672,067	6,662,049
Net Asset Value per Unit	\$ 25.1574	\$ 25.3304

On behalf of the Manager,
Mulvihill Fund Services Inc.


Manager: John P. Mulvihill


Manager: David N. Middleton

Statements of Financial Operations

Years ended December 31, 2000 and 1999

	2000	1999
Income		
Dividends	\$ 2,518,957	\$ 3,951,647
Interest	3,071,773	2,353,002
	5,590,730	6,304,649
Expenses (Note 6)		
Management fees	2,207,149	2,056,972
Custodian and other fees	196,728	125,907
Goods and services tax	168,271	152,802
	2,572,148	2,335,681
Net Investment Income	3,018,582	3,968,968
Gain on Sale of Investments and Options	24,423,424	13,212,177
Change in Unrealized Appreciation of Investments	(1,949,683)	6,873,270
Net Gain on Investments	22,473,741	20,085,447
Total Results of Financial Operations	\$ 25,492,323	\$ 24,054,415

Financial Statements

Statements of Changes in Net Assets

Years ended December 31, 2000 and 1999

	2000	1999
Net Assets, Beginning of Year	\$ 168,752,601	\$ 161,130,796
Unit Transactions		
Proceeds from units issued		46,167
Proceeds from reinvestment of distributions	264,787	164,161
	264,787	210,328
Total Results of Financial Operations	25,492,323	24,054,415
Distributions to Unitholders (Note 7)		
From net investment income	(2,633,874)	(3,779,646)
From net realized gain on sale of investments	(22,767,764)	(10,686,509)
Non-taxable distribution	(1,256,480)	(2,176,783)
	(26,658,118)	(16,642,938)
Changes in Net Assets During the Year	(901,008)	7,621,805
Net Assets, End of Year	\$ 167,851,593	\$ 168,752,601

Statements of Gain on Sale of Investments and Options

Years ended December 31, 2000 and 1999

	2000	1999
Proceeds From Sale of Investments	\$ 91,244,483	\$ 101,844,245
Cost of Investments Sold		
Cost of investments, beginning of year	108,856,791	100,515,990
Cost of investments purchased	58,489,268	96,972,869
	167,346,059	197,488,859
Cost of Investments, End of Year	(100,525,000)	(108,856,791)
	66,821,059	88,632,068
Gain on Sale of Investments and Options	\$ 24,423,424	\$ 13,212,177

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Short-term Investments				
Treasury Bills				
Government of Canada - March 1, 2001	3,355,000	\$ 3,309,024	\$ 3,309,024	
Government of Canada - March 15, 2001	208,000	205,435	205,435	
Government of Canada - March 29, 2001	2,322,000	2,290,607	2,290,607	
Government of Canada - February 1, 2001	30,000	29,616	29,616	
Government of Canada - February 15, 2001	559,000	551,189	551,189	
Total Treasury Bills		6,385,871	6,385,871	10.5%
Bearer Deposit Notes				
Alberta Treasury Branch - January 25, 2001	5,000,000	4,929,800	4,929,800	
Alberta Treasury Branch - February 1, 2001	8,000,000	7,887,360	7,887,360	
Alberta Treasury Branch - February 14, 2001	20,000,000	19,716,800	19,716,800	
Alberta Treasury Branch - February 15, 2001	10,000,000	9,858,400	9,858,400	
Alberta Treasury Branch - March 22, 2001	12,000,000	11,837,160	11,837,160	
Total Bearer Deposit Notes		54,229,520	54,229,520	88.9%
		60,615,391	60,615,391	99.4%
Accrued Interest			384,108	0.6%
Total Short-term Investments		\$ 60,615,391	\$ 60,999,499	100.0%
Investments				
Canadian Common Stocks				
Metals and Minerals				
Alcan Aluminium Ltd.	87,500	\$ 4,112,322	\$ 4,493,125	
Falconbridge Ltd.	100,000	1,937,895	1,665,000	
Noranda Inc.	115,000	2,190,003	1,719,250	
Total Metals and Minerals		8,240,220	7,877,375	7.4%
Gold and Precious Metals				
Placer Dome Inc.	160,000	2,781,650	2,312,000	2.2%
Oil and Gas				
Anderson Exploration Ltd.	120,000	3,234,500	4,086,000	
Ensign Resource Service Group Inc.	55,000	1,317,825	3,052,500	
Imperial Oil Ltd.	82,500	2,482,252	3,254,625	
Petro-Canada	135,000	2,990,638	5,150,250	
Talisman Energy Inc.	70,000	2,668,136	3,895,500	
Total Oil and Gas		12,693,351	19,438,875	18.1%
Paper and Forest Products				
Abitibi-Consolidated Inc.	257,081	3,809,766	3,547,718	
Domtar Inc.	110,000	1,844,645	1,490,500	
Total Paper and Forest Products		5,654,411	5,038,218	4.7%

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments (continued)				
Canadian Common Stocks (continued)				
Consumer Products				
BioChem Pharma Inc.	7,500	257,229	357,000	0.3%
Industrial Products				
ATI Technologies Inc.	120,000	3,387,276	1,026,000	
BCE Emergis Inc.	37,500	2,367,570	1,653,750	
Bombardier Inc., Class B	132,100	2,938,275	3,058,115	
CAE Inc.	40,000	427,895	976,000	
Celestica Inc.	42,500	3,811,676	3,442,500	
Dofasco Inc.	70,000	1,868,589	1,407,000	
JDS Uniphase Corp.	10,000	1,267,800	665,000	
Mitel Corp.	82,300	2,423,572	995,830	
Nortel Networks Corp.	141,334	8,814,666	6,819,366	
Total Industrial Products		27,307,319	20,043,561	18.7%
Pipelines				
TransCanada PipeLines Ltd.	155,000	3,309,250	2,666,000	2.5%
Utilities				
BCE Inc.	90,000	2,494,508	3,897,000	
Bell Canada International Inc.	35,000	1,045,465	1,027,250	
Manitoba Telecom Services Inc.	71,394	1,409,902	2,741,530	
TransAlta Corp.	150,000	3,378,000	3,300,000	
Total Utilities		8,327,875	10,965,780	10.2%
Communications and Media				
TELUS Corp.	83,773	3,525,774	3,445,640	
Thomson Corp.	70,000	3,013,380	4,018,000	
Total Communications and Media		6,539,154	7,463,640	7.0%
Merchandising				
Hudson's Bay Company	130,300	2,287,651	1,915,410	1.8%
Financial Services				
Bank of Montreal	36,000	2,158,375	2,829,600	
Bank of Nova Scotia	100,000	3,272,140	4,320,000	
Canadian Imperial Bank of Commerce	105,000	4,037,011	4,882,500	
Investors Group Inc.	45,000	911,250	1,167,750	
National Bank of Canada	100,000	2,846,058	2,660,000	
Royal Bank of Canada	70,000	2,573,959	3,559,500	
Toronto-Dominion Bank	130,000	4,469,825	5,648,500	
Total Financial Services		20,268,618	25,067,850	23.4%
Conglomerates				
Canadian Pacific Ltd.	70,000	2,263,335	2,992,500	
Power Corp. of Canada	40,000	1,000,462	1,480,000	
Total Conglomerates		3,263,797	4,472,500	4.2%
Total Canadian Common Stocks		100,930,525	107,618,209	100.5%

First Premium Income Trust

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Cash Covered Put Options (100 Shares per Contract)				
Bell Canada International Inc. - February 2001 @ \$30	(150)	(28,650)	(29,540)	
Rogers Communications Inc. - January 2001 @ \$26	(600)	(97,200)	(81,288)	
Total Written Cash Covered Put Options		(125,850)	(110,828)	(0.1)%
Written Covered Call Options (100 Shares per Contract)				
Alcan Aluminium Ltd. - January 2001 @ \$53	(225)	(31,201)	(30,938)	
Anderson Exploration Ltd. - January 2001 @ \$32	(300)	(46,650)	(84,750)	
Bombardier Inc. - January 2001 @ \$23	(700)	(58,800)	(80,500)	
Imperial Oil Ltd. - February 2001 @ \$43	(250)	(30,125)	(19,375)	
BCE Emergis Inc. - March 2001 @ \$65	(175)	(53,725)	(28,221)	
Petro-Canada - January 2001 @ \$35	(450)	(59,174)	(150,937)	
Total Written Covered Call Options		(279,675)	(394,721)	(0.4)%
Total Options		(405,525)	(505,549)	(0.5)%
Total Investments		\$ 100,525,000	\$ 107,112,660	100.0%

Statements of Financial Highlights

Years ended December 31

	2000	1999	1998	1997	1996*
Data Per Unit					
Net Asset Value, Beginning of Year	\$ 25.33	\$ 24.22	\$ 27.00	\$ 25.68	\$ 23.75**
Income from Investment Operations					
Net investment income	0.45	0.60	0.58	0.48	0.38
Net gain (loss) on investments	3.38	3.01	(0.61)	4.34	3.05
Total from investment operations	3.83	3.61	(0.03)	4.82	3.43
Distributions to Unitholders					
From net investment income	(0.40)	(0.57)	(0.47)	(0.68)	(0.34)
From net realized gain on sale of investments	(3.41)	(1.60)	(2.22)	(2.60)	(0.85)
Non-taxable distribution	(0.19)	(0.33)	(0.06)	(0.22)	(0.31)
Total distributions	(4.00)	(2.50)	(2.75)	(3.50)	(1.50)
Net Asset Value, End of Year	\$ 25.16	\$ 25.33	\$ 24.22	\$ 27.00	\$ 25.68
Ratios/Supplemental Data					
Total net assets, end of year (\$millions)	\$ 167.85	\$ 168.75	\$ 161.13	\$ 178.99	\$ 169.47
Average net assets (\$millions)	\$ 176.57	\$ 164.56	\$ 170.76	\$ 177.40	\$ 193.97
Management expense ratio	1.46%	1.42%	1.41%	1.49%	1.21%
Portfolio turnover rate	33.12%	58.93%	82.35%	102.79%	67.13%
Annual rate of return	15.11%	14.92%	(0.11)%	18.82%	N/A

* For the period from inception on June 25, 1996 to December 31, 1996.

** Net of agent fees.

Notes to the Financial Statements

1. Establishment of The Trust

First Premium Income Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on June 21, 1996. The Trust began operations on June 25, 1996 and will terminate on January 1, 2004 and its net assets will be distributed to unitholders unless unitholders determine to continue the Trust by a two-thirds majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. (the "Manager") and the Trust's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Trust.

2. Investment Objectives of the Trust

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting primarily of common shares issued by major Canadian issuers that pay regular dividends at an annualized rate which is at least 125% of the indicated annual dividend yield for the TSE 300 Composite Index. A majority of the securities comprising the portfolio will be those issued by major financial institutions, utilities and pipeline companies in Canada.

To generate additional returns above the dividend income earned on the portfolio, the Trust will from time to time write covered call and put options in respect of all or some of the securities in the portfolio. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province.

3. Summary Of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies:

Valuation of investments

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell). If the last published sale price is not between the bid and the asked price, the bid or the asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation on investments.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

4. Statements Of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Unitholders' Equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal voting rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by the Trust. Fractional units are not entitled to voting privileges.

Units may be surrendered at any time for redemption but will be redeemed only on the monthly valuation date. Unitholders whose units are redeemed on a June 30 valuation date will be entitled to receive a redemption price per unit equal to the net asset value

per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4% of such net asset value per unit and (ii) \$1.00.

Unit transactions during the year are as follows:

	2000	1999
Units outstanding, beginning of year	6,662,049	6,653,667
Units issued for cash	-	1,921
Units issued on reinvestment of distributions	10,018	6,461
Units outstanding, end of year	6,672,067	6,662,049

6. Management Fees And Expenses

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and the Manager in the ordinary course of business relating to the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10% and 1.15%, respectively, of the Trust's net asset value calculated and payable monthly plus applicable taxes.

7. Distributions

The Trust endeavours to make quarterly distributions of net income and net realized capital gains and options to unitholders on the last day of March, June, September and December in each year. Unitholders may elect to reinvest distributions received from the Trust in additional units.

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

Notes to the Financial Statements

8. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable to unitholders is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2000 or 1999.

9. Commissions

Total commissions paid in 2000 in connection with portfolio transactions were \$195,945 (1999 - \$296,023).

10. Statement Of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

FIRST PREMIUM U.S. INCOME TRUST [FPU.UN]

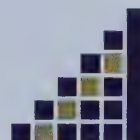
Annual Report 2000

December 31, 2000 and 1999

Investment Highlights

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Investment Management by Mulvihill Capital Management Inc.



First Premium U.S. Income Trust

Investment Highlights

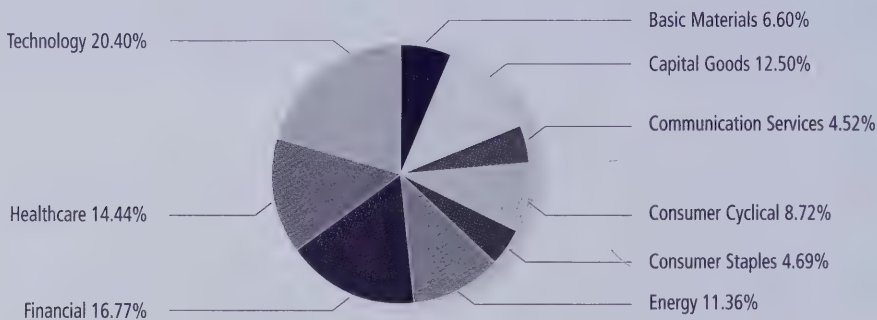
Investment Objectives

First Premium U.S. Income Trust was launched in February 1997 with similar objectives to First Premium Income Trust. Those objectives are to provide unitholders of the Trust with a stable stream of quarterly distributions of at least \$0.50 (\$2.00 annually) per unit while returning the original issue price of the units (\$25.00 per unit) to unitholders upon termination of the Trust.

Investment Strategy

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting primarily of common shares issued by corporations that rank in the top 50 of the Standard & Poor's 100 Index on the basis of market capitalization. To generate additional returns above the dividend income generated by the portfolio, the Trust will engage in a program of covered call option writing in respect of all or part of the securities in the Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Asset Mix



Distribution History

Inception Date: February 1997	Regular Distribution	Special Distribution	Total Distribution
Total for 1997	\$ 1.83	\$ 0.75	\$ 2.58
Total for 1998	2.00	1.25	3.25
Total for 1999	2.00	2.50	4.50
March 2000	0.50	0.00	0.50
June 2000	0.50	0.25	0.75
September 2000	0.50	0.25	0.75
December 2000	0.50	0.25	0.75
Total for 2000	2.00	0.75	2.75
Total Distribution to Date	\$ 7.83	\$ 5.25	\$ 13.08

First Premium U.S. Income Trust

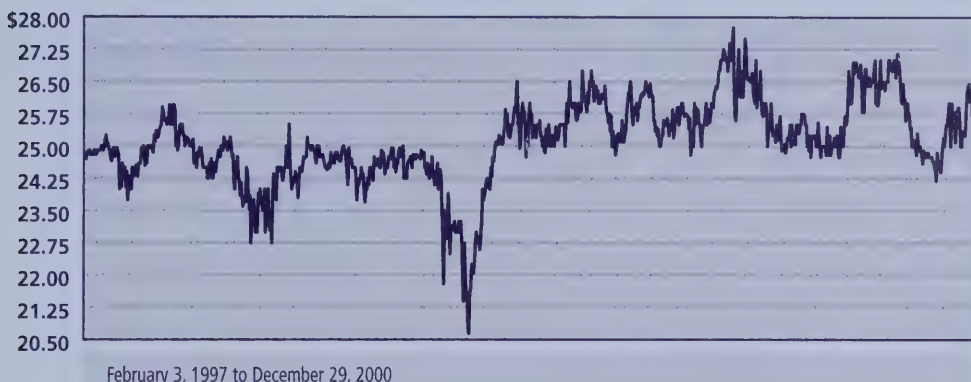
Investment Highlights

Top 10 Holdings:

Exxon Mobil Corp.
Bristol-Myers Squibb Co.
General Electric Co.
Bank of America Corp.
Citigroup Inc.

Pharmacia Corp.
Schlumberger Ltd.
Cisco Systems Inc.
Wal-Mart Stores Inc.
Johnson & Johnson

Trading History



Commentary

Distributions to unitholders during 2000 totalled \$32.64 million, or \$2.75 per unit, made up of a regular distribution of \$2 per unit, plus a special distribution of 75 cents per unit. These distributions represent a yield of 11 percent, based on the initial unit price of \$25.

As of December 31, 2000, the net assets of the Trust were \$260.31 million, or \$21.91 per unit, a decline of \$46.04 million from net assets of \$306.35 million, or \$25.82 per unit, at the end of 1999. The Trust's units, listed on the Toronto Stock as FPU.UN, traded at prices ranging from a high of \$27.15 to a low of \$24.20 during the year.

With all U.S. market indices recording negative returns for the year, the Trust's portfolio experienced a decline in valuation. The market declines were most pronounced in the technology and telecommunications sectors as the NASDAQ underwent a severe correction. Despite this turmoil, some sectors of the market, including financials, healthcare and energy performed well. Exposure to these sectors benefited the Trust and served to offset some of the weakness in the technology and telecommunications stocks.

Looking forward, U.S. equity markets face considerable uncertainties, and are likely to remain volatile for some time to come. While certain economic indicators point to a modest revival towards year-end, others raise concerns about a continuing decline into recession. Expectations about the stimulatory effects of Federal Reserve interest rate reductions and proposed tax cuts will also play a role in shaping investor sentiment. The Trust is conservatively positioned in these unsettled circumstances, and is maintaining a well diversified portfolio and a defensive cash position. A summary of the Trust's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Trust's unitholders for their continuing support.

Auditors' Report

To the Unitholders

We have audited the accompanying statement of investments of First Premium U.S. Income Trust (the "Trust") as at December 31, 2000, the statements of net assets as at December 31, 2000 and 1999, and the statements of financial operations, of changes in net assets and of gain on sale of investments for the years then ended, and the statements of financial highlights for each of the periods or years (since inception) in the four-year period ended December 31, 2000. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2001

First Premium U.S. Income Trust

Financial Statements

Statements of Net Assets

December 31, 2000 and 1999

	2000	1999
Assets		
Investments at market value (average cost - \$188,063,526; 1999 - \$185,342,329)	\$ 164,369,507	\$ 209,678,919
Short-term investments (average cost - \$95,483,943; 1999 - \$103,212,045)	94,887,249	101,657,666
Cash	253,901	-
Subscriptions receivable	139,653	71,037
Dividends receivable	66,907	92,669
Interest receivable	313,600	634,847
Due from broker	899,253	304,030
	260,930,070	312,439,168
Liabilities		
Overdraft	-	5,546,390
Accrued liabilities	474,947	540,540
Due to broker	142,789	-
	617,736	6,086,930
Net Assets, Represented by Unitholders' Equity	\$ 260,312,334	\$ 306,352,238
Number of Units Outstanding (Note 5)	11,879,597	11,865,504
Net Asset Value Per Unit	\$ 21.9126	\$ 25.8187

On behalf of the Manager,
Mulvihill Fund Services Inc.


Manager: John P. Mulvihill


Manager: David N. Middleton

Statements of Financial Operations

Years ended December 31, 2000 and 1999

	2000	1999
Income		
Dividends	\$ 2,844,816	\$ 3,490,950
Interest	6,600,070	2,796,652
Withholding tax	(330,675)	(367,657)
	9,114,211	5,919,945
Expenses (Note 6)		
Management fees	5,159,521	5,545,088
Goods and services tax	378,222	405,494
Custodian and other fees	243,649	247,682
	5,781,392	6,198,264
Net Investment Income (Loss)	3,332,819	(278,319)
Gain on Sale of Investments and Options	29,994,423	54,368,707
Change in Unrealized Depreciation of Investments and Foreign Currency	(47,073,850)	(4,169,029)
Net (Loss) Gain on Investments	(17,079,427)	50,199,678
Total Results of Financial Operations	\$ (13,746,608)	\$ 49,921,359

First Premium U.S. Income Trust

Financial Statements

Statements of Changes in Net Assets

Years ended December 31, 2000 and 1999

	2000	1999
Net Assets, Beginning of Year	\$ 306,352,238	\$ 311,051,388
Unit Transactions		
Amount paid for units redeemed	(1,036)	(1,260,548)
Proceeds from reinvestment of distributions	347,009	71,037
	345,973	(1,189,511)
Total Results of Financial Operations	(13,746,608)	49,921,359
Distributions to Unitholders (Note 7)		
From net investment income	(9,696)	(34,441)
From net realized gain on sale of investments	(30,306,494)	(49,834,588)
Non-taxable distribution	(2,323,079)	(3,561,969)
	(32,639,269)	(53,430,998)
Changes in Net Assets During the Year	(46,039,904)	(4,699,150)
Net Assets, End of Year	\$ 260,312,334	\$ 306,352,238

Statements of Gain on Sale of Investments and Options

Years ended December 31, 2000 and 1999

	2000	1999
Proceeds From Sale of Investments	\$ 119,143,388	\$ 259,038,193
Cost of Investments Sold		
Cost of investments, beginning of year	185,342,329	195,609,968
Cost of investments purchased	91,870,162	194,401,847
	277,212,491	390,011,815
Cost of Investments, End of Year	(188,063,526)	(185,342,329)
	89,148,965	204,669,486
Gain on Sale of Investments and Options	\$ 29,994,423	\$ 54,368,707

First Premium U.S. Income Trust

Financial Statements

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Short-term Investments				
Treasury Bills				
Government of Canada, USD - January 17, 2001	1,720,000	\$ 2,589,094	\$ 2,574,161	
Government of Canada, USD - February 14, 2001	2,190,000	3,263,191	3,263,191	
Government of Canada - March 15, 2001	110,000	108,607	108,607	
Government of Canada, USD - February 20, 2001	160,000	236,702	235,088	
Government of Canada - February 15, 2001	60,000	59,161	59,161	
Government of Ontario - March 19, 2001	3,900,000	3,846,219	3,846,219	
Government of Ontario - January 8, 2001	1,075,000	1,062,347	1,062,347	
Government of United States - March 22, 2001	12,600,000	18,901,438	18,653,027	
Total Treasury Bills		30,066,759	29,801,801	31.3%
Discount Commercial Paper				
Business Development Bank, USD - January 25, 2001	10,000,000	15,031,121	14,944,426	
Canadian Wheat Board, USD - January 22, 2001	7,990,000	12,051,344	11,935,316	
Canadian Wheat Board, USD - January 23, 2001	6,900,000	10,375,017	10,315,178	
Canadian Wheat Board, USD - January 25, 2001	1,700,000	2,543,445	2,512,620	
Canadian Wheat Board, USD - February 6, 2001	3,200,000	4,799,855	4,772,171	
Canadian Wheat Board, USD - March 5, 2001	330,000	498,581	487,917	
Total Discount Commercial Paper		45,299,363	44,967,628	47.3%
Bearer Deposit Notes				
Alberta Treasury Branch - February 1, 2001	2,000,000	1,971,840	1,971,840	
Alberta Treasury Branch - February 15, 2001	6,000,000	5,915,040	5,915,040	
Alberta Treasury Branch - March 22, 2001	4,000,000	3,945,720	3,945,720	
Alberta Treasury Branch - January 8, 2001	8,400,000	8,285,221	8,285,220	
		20,117,821	20,117,820	21.1%
		95,483,943	94,887,249	99.7%
Accrued interest			313,600	0.3%
Total Short-term Investments		\$ 95,483,943	\$ 95,200,849	100.0%
Investments				
Canadian Common Stocks				
Industrial Products				
Nortel Networks Corporation	95,000	\$ 6,756,706	\$ 4,574,991	2.8%
Total Canadian Common Stocks		6,756,706	4,574,991	2.8%
Common Stocks - U.S.A.				
Energy Sources				
Exxon Mobil Corp.	89,110	8,725,110	11,635,977	7.1%
Forest Products and Paper				
International Paper Co.	80,000	6,413,967	4,904,022	3.0%
Metals-Steel				
Alcoa Inc.	120,000	5,450,709	6,038,030	3.7%
Aerospace and Military Technology				
Raytheon Co., Class B	24,500	2,508,007	1,143,067	0.7%
Data Processing and Reproduction				
Cisco Systems Inc.	120,000	8,745,536	6,894,169	
Microsoft Corp.	90,000	11,564,906	5,863,423	
Oracle Corp.	80,000	1,324,382	3,492,145	
Total Data Processing and Reproduction		21,634,824	16,249,737	9.9%

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments (continued)				
Common Stocks - U.S.A. (continued)				
Electrical and Electronics				
General Electric Co.	135,000	9,046,398	9,720,272	5.9%
Electrical Components and Instruments				
Intel Corp.	110,000	6,845,833	4,966,919	
Texas Instruments Inc.	80,000	6,813,913	5,692,571	
Total Electrical Components and Instruments		13,659,746	10,659,490	6.5%
Energy Equipment and Services				
Schlumberger Ltd.	60,000	6,458,948	7,203,956	4.4%
Automobiles				
Ford Motor Company	139,854	6,536,091	4,923,290	3.0%
Food and Household Products				
McDonald's Corp.	60,000	3,016,333	3,064,075	
Procter & Gamble Co.	40,000	5,943,289	4,712,518	
Total Food and Household Products		8,959,622	7,776,593	4.7%
Health and Personal Care				
Bristol-Myers Squibb Co.	90,000	9,138,642	9,994,856	
Johnson & Johnson	42,500	5,963,546	6,706,654	
Pharmacia Corp.	79,000	5,492,945	7,238,127	
Total Health and Personal Care		20,595,133	23,939,637	14.5%
Merchandising				
Home Depot Inc.	40,000	3,488,749	2,744,901	
Wal-Mart Stores Inc.	85,000	6,412,562	6,782,458	
Total Merchandising		9,901,311	9,527,359	5.8%
Telecommunications				
AT&T Corp.	70,000	5,375,188	1,820,233	
Lucent Technologies Inc.	114,900	10,661,731	2,329,824	
Verizon Communications	50,000	3,226,720	3,764,381	
WorldCom Inc.	90,000	4,707,639	1,892,517	
Total Telecommunications		23,971,278	9,806,955	6.0%
Banking				
Bank of America Corp.	135,528	15,513,743	9,338,441	5.7%
Financial Services				
Citigroup Inc.	116,816	8,060,607	8,959,291	
Merrill Lynch & Company Inc.	35,000	2,494,394	3,584,611	
Total Financial Services		10,555,001	12,543,902	7.6%
Insurance				
American International Group Inc.	40,000	4,720,022	5,921,626	3.6%
Multi-Industry				
Tyco International Ltd.	42,500	3,344,746	3,542,837	
United Technologies Corp.	53,500	4,890,341	6,318,059	
Total Multi-Industry		8,235,087	9,860,896	6.0%
Total Common Stocks-United States		182,884,997	161,193,250	98.1%

First Premium U.S. Income Trust

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Cash Covered Put Options (100 Shares per Contract)				
EMC Corporation - January 2001 @ USD \$60	(250)	(298,492)	(112,650)	
Hewlett-Packard Co. - January 2001 @ USD \$33	(550)	(227,801)	(144,567)	
IBM Corp. - January 2001 @ USD \$90	(400)	(385,964)	(506,924)	
Total Written Cash Covered Put Options		(912,257)	(764,141)	(0.5)%
Written Call Covered Options (100 Shares per Contract)				
Alcoa Inc. - January 2001 @ USD \$33	(300)	(47,409)	(97,160)	
American International Group Inc. - January 2001 @ USD \$95	(100)	(59,365)	(82,610)	
Bristol-Myers Squibb Co. - January 2001 @ USD \$70	(225)	(103,487)	(164,750)	
Exxon Mobil Corp. - January 2001 @ USD \$90	(300)	(215,054)	(36,611)	
Johnson & Johnson - January 2001 @ USD \$100	(100)	(53,923)	(99,507)	
Pharmacia Corp. - January 2001 @ USD \$60	(200)	(107,956)	(78,855)	
United Technologies Corp. - January 2001 @ USD \$75	(100)	(78,726)	(75,100)	
Total Written Call Covered Options		(665,920)	(634,593)	(0.4)%
Total Options		(1,578,177)	(1,398,734)	(0.9)%
Total Investments		\$ 188,063,526	\$ 164,369,507	100.0%

Statements of Financial Highlights

Years ended December 31

	2000	1999	1998	1997*
Data Per Unit				
Net Asset Value, Beginning of Year	\$ 25.82	\$ 26.11	\$ 25.10	\$ 23.75**
Income from Investment Operations				
Net investment income (loss)	0.28	(0.02)	1.03	0.24
Net gain (loss) on investments	(1.44)	4.23	3.23	3.69
Total from investment operations	(1.16)	4.21	4.26	3.93
Distributions to Unitholders				
From net investment income	-	-	(0.78)	-
From net realized gain on sale of investments	(2.55)	(4.20)	(2.39)	(2.53)
Non-taxable distribution	(0.20)	(0.30)	(0.08)	(0.05)
Total distributions	(2.75)	(4.50)	(3.25)	(2.58)
Net Asset Value, End of Year	\$ 21.91	\$ 25.82	\$ 26.11	\$ 25.10
Ratios/Supplemental Data				
Total net assets, end of year (\$millions)	\$ 260.31	\$ 306.35	\$ 311.05	\$ 320.70
Average net assets (\$millions)	\$ 294.83	\$ 316.24	\$ 324.51	\$ 332.11
Management expense ratio	1.96%	1.96%	1.93%	1.95%
Portfolio turnover rate	31.16%	61.47%	102.81%	156.87%
Annual rate of return	(4.49)%	16.10%	16.99%	N/A

* For the period from February 4, 1997 to December 31, 1997.

** Net of agent fees.

Notes to the Financial Statements

1. Establishment of the Trust

First Premium U.S. Income Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on January 22, 1997. The Trust began operations on February 4, 1997 and will terminate on January 1, 2007 and its net assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. (the "Manager") and the Trust's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Trust.

2. Investment Objectives of the Trust

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting primarily of common shares issued by corporations that rank in the top 50 of the Standard & Poor's 100 Index on the basis of market capitalization. The securities comprising the portfolio may also include installment receipts for common shares and securities convertible into or exchangeable for common shares.

To generate additional returns above the dividend income earned on the portfolio, the Trust will from time to time write covered call and put options in respect of all or some of the securities in the portfolio. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province or the government of the United States or short-term commercial paper with a minimum specified credit rating.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies:

Valuation of investments

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell). If the last published sale price is not between the bid and the asked price, the bid or the asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest which approximates market value.

Listed options are valued at market value as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Forward foreign exchange contracts are valued at the current market value thereof on the valuation date.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation on investments.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

4. Statements of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Unitholders' Equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal voting rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with

respect to any and all distributions made by the Trust. Fractional units are not entitled to voting privileges.

Units may be surrendered at any time for redemption but will be redeemed only on the monthly valuation date. Unitholders whose units are redeemed on a December 31 valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4% of such net asset value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agreement to use its best efforts to find purchasers for any units tendered for redemption.

Following are the unit transactions for the year:

	2000	1999
Units outstanding, beginning of year	11,865,504	11,911,572
Units redeemed	(42)	(48,818)
Units issued on reinvestment of distributions	14,135	2,750
Units outstanding, end of year	11,879,597	11,865,504

6. Management Fees and Expenses

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and Manager in the ordinary course of business relating to the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10% and 1.65%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes.

Notes to the Financial Statements

7. Distributions

The Trust endeavours to make quarterly distributions of net income and net realized capital gains and options to unitholders on the last day of March, June, September and December in each year. Unitholders may elect to reinvest distributions received from the Trust in additional units.

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purpose.

8. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable to unitholders is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2000 or 1999.

9. Risk Management

The Trust may hedge its foreign currency exposure through the use of permitted derivatives such as clearing corporation options, futures contracts, options on futures, over-the-counter options and forward contracts. No forward contracts were outstanding at December 31, 2000 and 1999.

10. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$271,067 (1999 - \$423,693).

11. Statement of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

FIRST PREMIUM OIL & GAS INCOME TRUST [FPG.UN]

Annual Report 2000

December 31, 2000 and 1999

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First Premium Oil & Gas Income Trust

Investment Highlights

Investment Objectives

First Premium Oil & Gas Income Trust was launched in March 1997. This unique product combines the growth inherent in the oil and gas sectors of the market while providing a very attractive yield. The Trust's investment objectives are to provide unitholders of the Trust with a stable stream of quarterly distributions of at least \$0.1875 (\$0.75 annually) per unit while returning, at a minimum, the original issue price of the units to unitholders upon termination of the Trust.

Investment Strategy

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting primarily of common shares issued by corporations that are included in the TSE 300 Oil & Gas Sub-Index. The Trust may also invest up to 20% of the cost amount of its assets in common shares issued by corporations that are included in the Standard & Poor's 500 Energy Sub-Index. To generate additional returns above the dividend income generated by the portfolio, the Trust will engage in a program of covered call option writing in respect of all or part of the securities in the Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Distribution History

Inception Date: March 1997	Regular Distribution	Special Distribution	Total Distribution
Total for 1997	\$ 0.6015	\$ 0.0000	\$ 0.6015
Total for 1998	0.7500	0.0000	0.7500
Total for 1999	0.0000	0.0000	0.0000
March 2000	0.1875	0.0000	0.1875
June 2000	0.1875	0.3750	0.5625
September 2000	0.1875	0.1875	0.3750
December 2000	0.1875	0.1875	0.3750
Total for 2000	0.7500	0.7500	1.5000
Total Distribution to Date	\$ 2.1015	\$ 0.7500	\$ 2.8515

First Premium Oil & Gas Income Trust

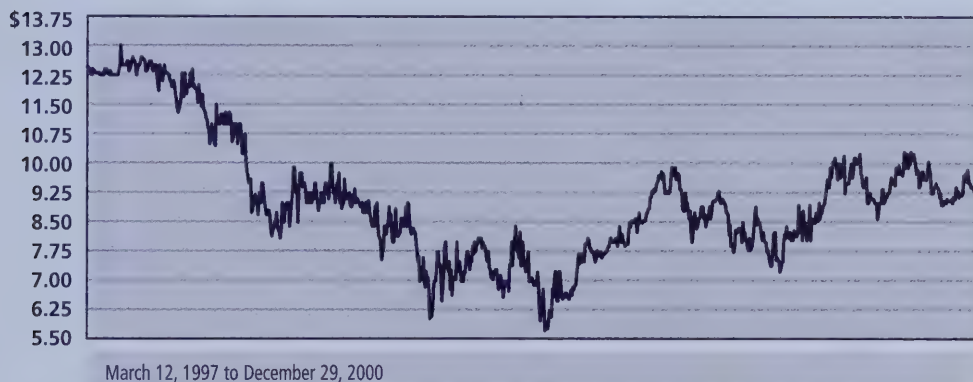
Investment Highlights

Top 10 Holdings:

Petro-Canada
Talisman Energy Inc.
Alberta Energy Company Ltd.
Canadian Natural Resources Ltd.
Precision Drilling Corporation

Imperial Oil Ltd.
Nexen Inc.
Ensign Resource Service Group Inc.
Canadian Hunter Exploration Ltd.
Rio Alto Exploration Ltd.

Trading History



Commentary

Distributions to unitholders were reinstated in 2000, and a total of \$1.50 per unit was paid out, consisting of a regular distribution of 75 cents per unit, plus a special distribution of another 75 cents per unit. Based on the initial unit price of \$12.50, these distributions represent a yield of 12 percent for the year. The distributions suspended in 1999 have now been repaid.

As of December 31, 2000, net assets of the Trust stood at \$22.31 million, or \$10.33 per unit, an 18-percent increase over net asset value of \$8.75 per unit at the end of 1999.

The distributions paid in 2000 are non-taxable as the capital gains realized in 2000 were sheltered by the capital losses which the Trust carried forward from the 1999 fiscal year. The effect of this is to reduce the adjusted cost base of all units.

The market price of units, listed on the Toronto Stock as FPG.UN, rose substantially during the year. On December 31, 2000, the closing price was \$9.85, an increase of \$1.60 per unit over the closing price at the end of 1999.

Strong global demand and rising prices allowed the TSE's Oil & Gas Index to outperform the overall TSE 300 Index during the year by a factor of more than seven times. Oil prices rose substantially to a peak in September, and have declined only moderately since then. Natural gas prices continued to climb throughout the entire year, reaching an all-time high in December, as cold weather boosted demand. Further dramatic price increases are unlikely, but the combination of continuing strong demand, historically low inventories and production discipline by OPEC members should maintain prices at above-average levels throughout 2001. Under these conditions, the oil and gas sector should continue to enjoy stable cash flows, strong balance sheets and sustained earnings growth for the balance of this year.

A summary of the Trust's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Trust's unitholders for their continuing support.

First Premium Oil & Gas Income Trust

Auditors' Report

To the Unitholders

We have audited the accompanying statement of investments of First Premium Oil & Gas Income Trust (the "Trust") as at December 31, 2000, the statements of net assets as at December 31, 2000 and 1999, and the statements of financial operations, of changes in net assets and of gain (loss) on sale of investments for the years then ended, and the statements of financial highlights for each of the periods or years (since inception) in the four-year period ended December 31, 2000. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, the gain (loss) on sale of investments and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2001

First Premium Oil & Gas Income Trust

Financial Statements

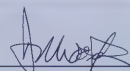
Statements of Net Assets

December 31, 2000 and 1999

	2000	1999
Assets		
Investments at market value (average cost - \$14,102,703; 1999 - \$17,518,526)	\$ 20,120,862	\$ 20,645,917
Short-term investments (average cost - \$4,460,804; 1999 - \$6,745,671)	4,394,686	6,724,122
Cash	20,360	130,506
Dividends receivable	18,758	27,012
Interest receivable	27,489	10,550
	24,582,155	27,538,107
Liabilities		
Accrued liabilities	48,217	42,975
Redemptions payable	2,228,806	2,680,339
	2,277,023	2,723,314
Net Assets, Represented by Unitholders' Equity	\$ 22,305,132	\$ 24,814,793
Number of Units Outstanding (Note 5)	2,158,907	2,835,732
Net Asset Value Per Unit	\$ 10.3317	\$ 8.7508

On behalf of the Manager,
Mulvihill Fund Services Inc.


Manager: John P. Mulvihill


Manager: David N. Middleton

Statements of Financial Operations

Years ended December 31, 2000 and 1999

	2000	1999
Income		
Dividends	\$ 102,540	\$ 190,580
Interest	520,599	16,354
Withholding tax recovery (expense)	468	(3,638)
	623,607	203,296
Expenses (Note 6)		
Management fees	372,115	437,306
Custodian and other fees	100,780	119,406
Goods and services tax	33,103	38,970
	505,998	595,682
Net Investment Income (Loss)	117,609	(392,386)
Gain (Loss) on Sale of Investments and Options	4,738,542	(15,952,960)
Change in Unrealized Appreciation of Investments and Foreign Currency	2,849,048	21,807,400
Net Gain on Investments	7,587,590	5,854,440
Total Results of Financial Operations	\$ 7,705,199	\$ 5,462,054

First Premium Oil & Gas Income Trust

Financial Statements

Statements of Changes in Net Assets

Years ended December 31, 2000 and 1999

	2000	1999
Net Assets, Beginning of Year	\$ 24,814,793	\$ 27,597,934
Unit Transactions		
Amount paid for units redeemed	(6,454,874)	(8,245,195)
Total Results of Financial Operations	7,705,199	5,462,054
Distributions to Unitholders (Note 7)		
Non-taxable distribution	(3,759,986)	-
Changes in Net Assets During the Year	(2,509,661)	(2,783,141)
Net Assets, End of Year	\$ 22,305,132	\$ 24,814,793

Statements of Gain (Loss) on Sale of Investments and Options

Years ended December 31, 2000 and 1999

	2000	1999
Proceeds From Sale of Investments	\$ 16,393,780	\$ 36,370,091
Cost of Investments Sold		
Cost of investments, beginning of year	17,518,526	48,529,715
Cost of investments purchased	8,239,415	21,311,862
	25,757,941	69,841,577
Cost of investments, end of year	(14,102,703)	(17,518,526)
	11,655,238	52,323,051
Gain (Loss) on Sale of Investments and Options	\$ 4,738,542	\$ (15,952,960)

First Premium Oil & Gas Income Trust

Financial Statements

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Short-term Investments				
Treasury Bills				
Government of Canada - March 1, 2001	42,000	\$ 41,451	\$ 41,451	
Government of Canada - March 15, 2001	54,000	53,282	53,282	
Government of Canada - February 1, 2001	49,000	48,373	48,373	
Government of Canada - February 15, 2001	20,000	19,740	19,740	
Government of the United States, USD - March 22, 2001	500,000	750,308	740,199	
Total Treasury Bills		913,154	903,045	20.4%
Discount Commercial Paper				
Canadian Wheat Board, U.S. Deposit Note - March 15, 2001	15,000	22,663	22,178	
Export Development Corp., U.S. Deposit Note - January 16, 2001	1,340,000	2,045,760	1,990,236	
Total Discount Commercial Paper		2,068,423	2,012,414	45.5%
Bearer Deposit Notes				
Alberta Treasury Branch - January 25, 2001	300,000	295,788	295,788	
Alberta Treasury Branch - February 21, 2001	600,000	591,582	591,582	
Alberta Treasury Branch - March 22, 2001	600,000	591,857	591,857	
Total Bearer Deposit Notes		1,479,227	1,479,227	33.5%
		4,460,804	4,394,686	99.4%
Accrued Interest			27,489	0.6%
Total Short-term Investments		\$ 4,460,804	\$ 4,422,175	100.0%
Investments				
Canadian Common Stocks				
Oil & Gas				
Alberta Energy Company Ltd.	23,000	\$ 878,853	\$ 1,651,400	
Anderson Exploration Ltd.	20,000	541,905	681,000	
Berkley Petroleum Corp.	75,000	946,700	847,500	
Canadian Hunter Exploration Ltd.	25,000	561,837	1,027,500	
Canadian Natural Resources Ltd.	37,500	1,351,177	1,556,250	
Ensign Resource Service Group Inc.	20,000	599,791	1,110,000	
Gulf Canada Resources Ltd.	93,553	451,247	715,680	
Imperial Oil Ltd.	33,500	1,149,425	1,321,575	
Nexen Inc.	35,000	950,438	1,295,000	
Penn West Petroleum Limited	22,000	639,100	822,800	
Petro-Canada	68,000	1,301,969	2,594,200	
Precision Drilling Corporation	24,000	1,129,712	1,350,000	
Rio Alto Exploration Ltd.	30,000	516,009	978,000	
Shaw Industries Ltd., Class A	37,500	519,302	598,125	
Suncor Energy Inc.	24,000	655,147	919,200	
Talisman Energy Inc.	37,500	1,697,064	2,086,875	
Tesco Corp.	50,000	332,500	775,000	
Total Oil & Gas		14,223,176	20,330,105	101.0%
Total Canadian Common Stocks		14,223,176	20,330,105	101.0%

First Premium Oil & Gas Income Trust

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Covered Call Options (100 Shares per Contract)				
Alberta Energy Company Ltd. - February 2001 @ \$66	(65)	(19,825)	(16,666)	
Anderson Exploration Ltd. - February 2001 @ \$36	(50)	(7,900)	(8,625)	
Imperial Oil Ltd. - February 2001 @ \$43	(150)	(18,075)	(11,625)	
Petro-Canada - January 2001 @ \$33	(175)	(34,475)	(93,653)	
Petro-Canada - January 2001 @ \$35	(165)	(21,698)	(55,344)	
Tesco Corp. - March 2001 @ \$16	(200)	(18,500)	(23,330)	
Total Written Covered Call Options		(120,473)	(209,243)	(1.0)%
Total Investments		\$ 14,102,703	\$ 20,120,862	100.0%

Statements of Financial Highlights

Years ended December 31

	2000	1999	1998	1997*
Data Per Unit				
Net Asset Value, Beginning of Year	\$ 8.75	\$ 7.29	\$ 9.99	\$ 11.75**
Income from Investment Operations				
Net investment income (loss)	0.05	(0.11)	(0.01)	0.03
Net gain (loss) on investments	3.03	1.57	(1.94)	(1.19)
Total from investment operations	3.08	1.46	(1.95)	(1.16)
Distributions to Unitholders				
From net investment income	-	-	(0.05)	(0.02)
From net realized gain on sale of investments	-	-	(0.35)	(0.42)
Non-taxable distribution	(1.50)	-	(0.35)	(0.16)
Total distributions	(1.50)	-	(0.75)	(0.60)
Net Asset Value, End of Year	\$ 10.33	\$ 8.75	\$ 7.29	\$ 9.99
Ratios/Supplemental Data				
Total net assets, end of year (\$millions)	\$ 22.31	\$ 24.81	\$ 27.60	\$ 42.23
Average net assets (\$millions)	\$ 24.81	\$ 29.15	\$ 30.78	\$ 49.12
Management expense ratio	2.04%	2.04%	1.99%	1.66%
Portfolio turnover rate	33.21%	73.10%	36.50%	64.08%
Annual rate of return	35.21%	20.01%	(19.50)%	N/A

* For the period from inception on March 12, 1997 to December 31, 1997.

** Net of agent fees.

1. Establishment of the Trust

First Premium Oil & Gas Income Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on February 26, 1997. The Trust began operations on March 12, 1997 and will terminate on January 1, 2007 and its net assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. (the "Manager") and the Trust's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Trust.

2. Investment Objectives of the Trust

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting primarily of common shares issued by corporations that are included in the TSE 300 Oil & Gas Sub-Index. The Trust may also invest up to 20% of the cost amount of its assets in common shares issued by corporations that are included in the Standard & Poor's 500 Energy Sub-Index. In either case the corporations must have had a market capitalization of at least Cdn. \$400 million on February 21, 1997 or on any subsequent date that is prior to the date of purchase.

To generate additional returns above the dividend income earned on the portfolio, the Trust will from time to time write covered call and put options in respect of all or some of the securities in the portfolio. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province or short-term commercial paper with a minimum specified credit rating.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies:

Valuation of investments

Investments are recorded at their market value at the end of the period, determined as follows:

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell). If the last sale price is not between the bid and the asked price, the bid or asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation on investments.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Notes to the Financial Statements

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

4. Statements Of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Management Fees and Expenses

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal voting rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate

equally with respect to any and all distributions made by the Trust. Fractional units are not entitled to voting privileges.

Units may be surrendered at any time for redemption but will be redeemed only on the monthly valuation date. Unitholders whose units are redeemed on a December 31 valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4% of such net asset value per unit and (ii) \$0.50. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

Following are the unit transactions for the year:

	2000	1999
Units outstanding, beginning of year	2,835,732	3,784,901
Units redeemed	(676,825)	(949,169)
Units outstanding, end of year	2,158,907	2,835,732

6. Management Fees and Expenses

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and Manager in the ordinary course of business relating to the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10% and 1.40%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes. The Investment Manager is also entitled to an incentive fee equal to 25% of the total

annual return of the Trust in excess of 12.5% of the net asset value of the Trust at the beginning of the year, plus applicable taxes, subject to certain adjustments. No incentive fee will be payable in any year unless the Trust has made annual cash distributions, on a cumulative basis, of at least \$0.75 per unit since the inception of the Trust and the Trust has earned a total annual return of at least 8% per year on the issue price of \$12.50, on a cumulative basis, since inception. No incentive fee was payable in 2000 or 1999.

7. Distributions

The Trust endeavours to make quarterly distributions of net income and net realized capital gains and options to unitholders on the last day of March, June, September and December in each year.

Non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

8. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable to unitholders is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2000 or 1999.

Accumulated non-capital losses of approximately \$1.01 million (1999 - \$1.01 million) and capital losses of approximately \$13.93 million (1999 - \$15.96 million) are available for utilization against net investment income and realized gains on sales of investments, respectively, in future years. The non-capital losses can be carried forward till 2006 and capital losses can be carried forward indefinitely.

Issue costs of approximately \$835,000 (1999 - \$1.56 million) remain undeducted for tax purposes at year end.

9. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$38,292 (1999 - \$177,836).

10. Statement of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

Notes

60^{PLUS} INCOME TRUST [SIX.UN]

Annual Report 2000

December 31, 2000 and 1999

Investment Highlights

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Investment Management by Mulvihill Capital Management Inc.



Investment Highlights

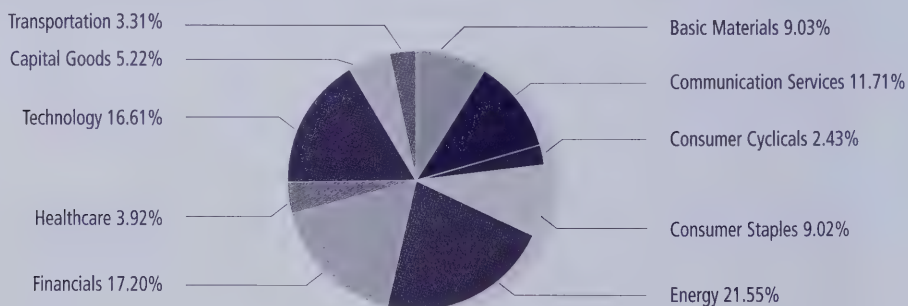
Investment Objectives

The Trust's investment objectives are to provide unitholders of the Trust with a stable stream of quarterly distributions of at least \$0.50 (\$2.00 annually) per unit while returning at a minimum the original issue price of the units to unitholders upon termination of the Trust on January 1, 2009.

Investment Strategy

The Trust intends to achieve its investment objectives by investing its net assets in a diversified portfolio consisting primarily of common shares issued by corporations selected from the S&P/TSE 60 Index. The Trust may also, from time to time, invest up to 20% of the cost amount of its assets in (i) common shares issued by the top 60 corporations of the S&P 100 Index or (ii) ADR's of the top 60 corporations trading on the New York Stock Exchange or NASDAQ, selected on the basis of market capitalization. To generate additional returns above the dividend income generated by the portfolio, the Trust will write covered call options in respect of all or part of the securities in the Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Asset Mix



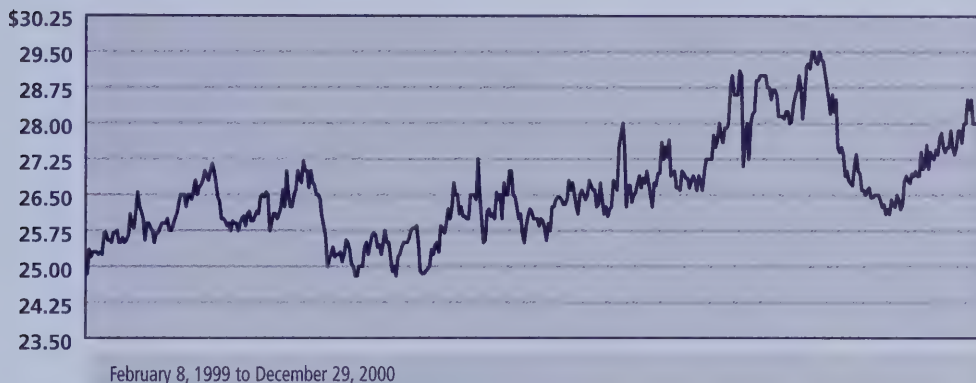
Distribution History

Inception Date: February 1999	Regular Distribution	Special Distribution	Total Distribution
Total for 1999	\$ 1.80	\$ 0.50	\$ 2.30
March 2000	0.50	0.75	1.25
June 2000	0.50	0.50	1.00
September 2000	0.50	0.25	0.75
December 2000	0.50	0.50	1.00
Total for 2000	2.00	2.00	4.00
Total Distribution to Date	\$ 3.80	\$ 2.50	\$ 6.30

Top 10 Holdings:

BCE Inc.
 Nortel Networks Corp.
 Canadian Imperial Bank of Commerce
 Bombardier Inc., Class B
 Alcan Aluminium Ltd.

Petro-Canada
 Royal Bank of Canada
 Talisman Energy Inc.
 Bristol-Myers Squibb Co.
 Toronto-Dominion Bank

Trading History**Commentary**

Unitholders received distributions during 2000 amounting to \$4 per unit, made up of a regular dividend of \$2 per unit, plus special distributions totalling \$2 per unit. These distributions exceeded the minimum target of eight percent, based on the initial unit price of \$25.

As of December 31, 2000, the net assets of the Trust were \$109.55 million, or \$25.67 per unit, compared with net assets of \$115.10 million, or \$26.39 per unit, at the end of 1999. The Trust's units, listed on the Toronto Stock as SIX.UN, traded at prices ranging from a high of \$29.50 to a low of \$25.50 during the year.

Conditions in equity markets changed markedly during the year, as the U.S. economy shifted from strong expansion to an abrupt slowdown, sharply reducing corporate growth and earnings expectations. Weakening demand south of the border also has immediate impacts in Canada, since the U.S. is by far Canada's largest export customer.

By maintaining balanced representation of various economic sectors in its portfolio, the Trust offsets the impact of sharp declines in some industries against better performance in others. Investments are also diversified into various global markets, in order to minimize exposure to negative developments in any one country or region. A prudent level of cash is being maintained to accommodate new developments. A summary of the Trust's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Trust's unitholders for their continuing support.

Auditors' Report**To the Unitholders**

We have audited the accompanying statement of investments of Sixty Plus Income Trust (the "Trust") as at December 31, 2000, the statements of net assets as at December 31, 2000 and 1999, and the statements of financial operations, of changes in net assets, of gain on sale of investments and of financial highlights for the periods (since inception) then ended. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants


Toronto, Ontario
March 10, 2001

Statements of Net Assets

December 31, 2000 and 1999

	2000	1999
Assets		
Investments at market value (average cost - \$61,502,780; 1999 - \$78,099,816)	\$ 70,166,133	\$ 90,020,888
Short-term investments (average cost - \$39,199,599; 1999 - \$27,299,781)	39,079,521	27,184,595
Cash	25,486	-
Subscriptions receivable	53,987	-
Dividends receivable	112,725	123,134
Interest receivable	196,331	82,077
Due from broker	79,446	-
	109,713,629	117,410,694
Liabilities		
Overdraft		2,167,887
Accrued liabilities	162,769	146,132
	162,769	2,314,019
Net Assets, Represented by Unitholders' Equity	\$ 109,550,860	\$ 115,096,675
Number of Units Outstanding (Note 5)	4,268,280	4,361,021
Net Asset Value Per Unit	\$ 25.6663	\$ 26.3921

On behalf of the Manager,
Mulvihill Fund Services Inc.


Manager: John P. Mulvihill


Manager: David N. Middleton

Statements of Financial Operations

Periods ended December 31, 2000 and 1999

	2000	1999
Income		(Note 1)
Dividends	\$ 1,030,934	\$ 813,199
Interest	2,097,556	1,543,048
Withholding tax	(28,796)	(19,200)
	3,099,694	2,337,047
Expenses (Note 6)		
Management fees	1,470,204	1,206,349
Custodian and other fees	166,790	127,838
Goods and services tax	114,590	93,393
	1,751,584	1,427,580
Net Investment Income	1,348,110	909,467
Gain on Sale of Investments	15,893,333	9,335,725
Change in Unrealized Appreciation of Investments and Foreign Currency	(3,262,565)	11,805,786
Net Gain on Investments	12,630,768	21,141,511
Total Results of Financial Operations	\$ 13,978,878	\$ 22,050,978

Financial Statements

Statements of Changes in Net Assets

Periods ended December 31, 2000 and 1999

	2000	1999
	(Note 1)	
Net Assets, Beginning of Period	\$ 115,096,675	\$ -
Unit Transactions		
Proceeds from units issued, net of issue costs	-	103,050,000
Amount paid for units redeemed	(2,533,855)	-
Proceeds from reinvestment of distributions	78,142	25,008
	(2,455,713)	103,075,008
Total Results of Financial Operations	13,978,878	22,050,978
Distributions to Unitholders (Note 7)		
From net investment income	(729,464)	(572,149)
From net realized gain on sale of investments	(15,123,677)	(8,538,176)
Non-taxable distribution	(1,215,839)	(918,986)
	(17,068,980)	(10,029,311)
Changes in Net Assets During the Period	(5,545,815)	115,096,675
Net Assets, End of Period	\$ 109,550,860	\$ 115,096,675

Statements of Gain on Sale of Investments and Options

Periods ended December 31, 2000 and 1999

	2000	1999
	(Note 1)	
Proceeds From Sale of Investments	\$ 62,416,989	\$ 63,473,049
Cost of Investments Sold		
Cost of investments, beginning of period	78,099,816	-
Cost of investments purchased	29,926,620	132,237,140
	108,026,436	132,237,140
Cost of Investments, End of Period	(61,502,780)	(78,099,816)
	46,523,656	54,137,324
Gain on Sale of Investments and Options	\$ 15,893,333	\$ 9,335,725

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Short-term Investments				
Treasury Bills				
Government of Canada - March 1, 2001	2,000,000	\$ 1,972,904	\$ 1,972,904	
Government of Canada - March 15, 2001	4,412,000	4,351,853	4,351,853	
Government of Canada - March 29, 2001	206,000	203,229	203,229	
Government of Canada - February 1, 2001	642,000	633,074	633,074	
Government of Ontario - March 19, 2001	7,000,000	6,903,470	6,903,470	
Government of United States - March 22, 2001	2,700,000	4,051,665	3,997,077	
Total Treasury Bills		18,116,195	18,061,607	46.0 %
Discount Commercial Paper				
Canadian Wheat Board, USD Deposit Note - March 5, 2001	15,000	22,662	22,178	
Export Development Corp., USD Deposit Note - January 16, 2001	175,000	267,170	259,919	
Export Development Corp., USD Deposit Note - January 26, 2001	3,980,000	5,998,822	5,941,067	
Total Discount Commercial Paper		6,288,654	6,223,164	15.8 %
Bearer Deposit Notes				
Alberta Treasury Branch - January 4, 2001	5,000,000	4,935,250	4,935,250	
Alberta Treasury Branch - February 15, 2001	4,000,000	3,943,360	3,943,360	
Alberta Treasury Branch - February 21, 2001	5,000,000	4,929,850	4,929,850	
Alberta Treasury Branch - January 8, 2001	1,000,000	986,290	986,290	
Total Bearer Deposit Notes		14,794,750	14,794,750	37.7 %
		39,199,599	39,079,521	99.5 %
Accrued Interest		-	196,331	0.5 %
Total Short-term Investments		\$ 39,199,599	\$ 39,275,852	100.0 %
Investments				
Canadian Common Stocks				
Metals and Minerals				
Alcan Aluminium Ltd.	65,000	\$ 3,285,666	\$ 3,337,750	4.8 %
Gold and Precious Metals				
Placer Dome Inc.	100,000	1,525,600	1,445,000	2.1 %
Oil and Gas				
Alberta Energy Company Ltd.	20,000	866,111	1,436,000	
Anderson Exploration Ltd.	63,000	1,783,761	2,145,150	
Imperial Oil Ltd.	42,000	1,462,773	1,656,900	
Nexen Inc.	67,000	1,610,735	2,479,000	
Petro-Canada	80,000	1,666,375	3,052,000	
Talisman Energy Inc.	50,000	2,051,625	2,782,500	
Total Oil and Gas		9,441,380	13,551,550	19.3 %
Paper and Forest Products				
Domtar Inc.	120,000	2,169,141	1,626,000	2.3 %
Industrial Products				
ATI Technologies Inc.	110,000	2,174,445	940,500	
Bombardier Inc., Class B	160,000	1,906,816	3,704,000	
Celestica Inc.	20,000	1,745,703	1,620,000	
Mitel Corp.	64,800	1,701,138	784,080	
Nortel Networks Corp.	95,000	2,831,425	4,583,750	
Total Industrial Products		10,359,527	11,632,330	16.6 %

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments				
Canadian Common Stocks (continued)				
Utilities				
BCE Inc.	115,350	3,238,902	4,994,655	7.1 %
Communications and Media				
Shaw Communications Inc., Class B	64,000	1,560,823	2,240,000	
Thomson Corp.	30,000	1,665,000	1,722,000	
Total Communications and Media		3,225,823	3,962,000	5.6 %
Merchandising				
Loblaw Ltd.	45,000	1,703,348	2,272,500	3.2 %
Financial Services				
Canadian Imperial Bank of Commerce	80,000	2,988,370	3,720,000	
Royal Bank of Canada	55,000	2,184,048	2,796,750	
Sun Life Financial Services of Canada	35,000	1,138,200	1,400,000	
Toronto-Dominion Bank	63,400	2,312,349	2,754,730	
Total Financial Services		8,622,967	10,671,480	15.2 %
Conglomerates				
Canadian Pacific Ltd.	55,000	1,965,609	2,351,250	3.4 %
Total Canadian Common Stocks		45,537,963	55,844,515	79.6 %
Foreign Common Stocks (excluding U.S.A.)				
Britain				
Vodafone Group PLC, ADR	30,000	2,016,525	1,613,731	2.3 %
Netherlands				
Koninklijke (Royal) Philips Electronics N.V.	25,000	840,566	1,361,185	1.9 %
France				
Alcatel Alsthom, ADR	20,000	1,136,184	1,680,375	2.4 %
Mexico				
Telefonos de Mexico S.A., ADR	25,000	1,822,528	1,694,441	2.4 %
Total Foreign Common Stocks (excluding U.S.A.)		5,815,803	6,349,732	9.0 %
Common Stocks - U.S.A.				
Energy Equipment and Services				
Halliburton Co.	32,000	2,182,137	1,742,317	2.5%
Food and Household Products				
Procter & Gamble Co.	16,000	1,667,255	1,885,007	2.7%
Health and Personal Care				
Bristol-Myers Squibb Co.	25,000	2,416,516	2,776,349	3.9%
Telecommunications				
Lucent Technologies Inc.	40,000	2,807,748	811,079	1.2%
Financial Services				
Citigroup Inc.	20,000	1,573,307	1,533,915	2.2%
Total Common Stocks - U.S.A.		10,646,963	8,748,667	12.5%

Statement of Investments (continued)

December 31, 2000

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Call Options				
Number of Contracts (100 Shares per Contract)				
Alcan Aluminium Ltd. - January 2001 @ \$53	(300)	(50,400)	(41,250)	
Alcatel Alsthom - February 2001 @ USD \$55	(100)	(79,446)	(90,120)	
Anderson Exploration Ltd. - February 2001 @ \$30	(210)	(49,980)	(105,525)	
Anderson Exploration Ltd. - February 2001 @ \$32	(210)	(36,330)	(77,175)	
Canadian Pacific Ltd. - February 2001 @45	(150)	(22,500)	(17,562)	
Imperial Oil Ltd. - January 2001 @ \$40	(210)	(38,640)	(18,900)	
Petro-Canada - January 2001 @ \$40	(200)	(18,454)	(20,500)	
Petro-Canada - March 2001 @ \$40	(200)	(23,600)	(23,000)	
Procter & Gamble Co. - January 2001 @ \$75	(80)	(45,549)	(63,084)	
Sun Life Financial Services of Canada - January 2001 @ USD \$34	(350)	(40,250)	(219,625)	
Thomson Corp. - January 2001 @ \$57	(300)	(60,600)	(60,132)	
Toronto-Dominion Bank - February 2001 @ \$44	(200)	(32,200)	(39,908)	
Total Written Call Options		(497,949)	(776,781)	(1.1)%
Total Investments		\$ 61,502,780	\$ 70,166,133	100.0%

Statements of Financial Highlights

Years ended December 31

	2000	1999*
Data Per Unit		
Net Asset Value, Beginning of Year	\$ 26.39	\$ 23.75**
Income from Investment Operations		
Net investment income	0.32	0.21
Net gain on investments	2.96	4.73
Total from investment operations	3.28	4.94
Distributions to Unitholders		
From net investment income	(0.17)	(0.13)
From net realized gain on sale of investments	(3.54)	(1.96)
Non-taxable distribution	(0.29)	(0.21)
Total distributions	(4.00)	(2.30)
Net Asset Value, End of Year	\$ 25.67	\$ 26.39
Ratios/Supplemental Data		
Total net assets, end of year (\$millions)	\$ 109.55	\$ 115.10
Average net assets (\$millions)	\$ 117.62	\$ 105.28
Management expense ratio	1.49%	1.48%
Portfolio turnover rate	25.44%	60.29%
Annual rate of return	12.41%	N/A

* For the period from inception on February 8, 1999 to December 31, 1999.

** Net of agent fees.

Notes to the Financial Statements

1. Establishment of the Trust

Sixty Plus Income Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on January 27, 1999. The Trust began operations on February 8, 1999 and will terminate on January 1, 2009 and its assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. ("Mulvihill") and the Trust's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Trust.

2. Investment Objectives and Strategy

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting principally of common shares issued by corporations selected from the S&P/TSE 60 Index. The Trust may also, from time to time, invest up to 20% of the cost amount of its assets in (i) common shares issued by the top 60 corporations selected on the basis of market capitalization from the S&P 100 Index or (ii) American Depository Receipts ("ADRs") of the top 60 corporations selected on the basis of market capitalization whose ADRs are trading on the New York Stock Exchange or NASDAQ.

To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Trust may write cash covered put options in respect of all of the securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time, the Trust may hold a portion of its assets in cash equivalents.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies.

Valuation of investments

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell). If the last published sale price is not between the bid and the asked price, the bid or the asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest, which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Option premiums fees paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation in investments.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

4. Statement of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Unitholders' Equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with

respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. Units are issued only as fully paid and are non-assessable. Fractions of units are proportionately entitled to all of these rights except voting rights.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Unitholders whose units are redeemed on a December valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit, less the lesser of (i) 4% of such net assets value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchases for any units tendered for redemption.

Following are the unit transactions for the period:

	2000	1999
Units outstanding, beginning of year	4,361,021	-
Units issued for cash		4,360,000
Units redeemed	(95,655)	-
Units issued on reinvestment of distributions	2,914	1,021
Units outstanding, end of year	4,268,280	4,361,021

6. Management Fees and Expenses

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and Manager in the ordinary course of business relating to the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Notes to the Financial Statements

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10% and 1.15%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes.

7. Distributions

The Trust endeavours to make quarterly distributions to unitholders of net income and net realized capital gains and option premiums on the last day of March, June, September and December in each year. Unitholders may elect to reinvest distributions received from the Trust in additional units.

The non-taxable distributions received by unitholders reduce the adjusted cost base of the unit for tax purpose.

8. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized

capital gains not paid or payable is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2000 or 1999.

9. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$102,568 (1999 - \$232,841).

10. Statement of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

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GLOBAL PLUS INCOME TRUST [GIP.UN]

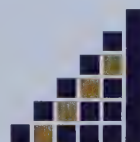
Annual Report 2000

December 31, 2000 and 1999

Investment Highlights

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Investment Management by Mulvihill Capital Management Inc.



Investment Highlights

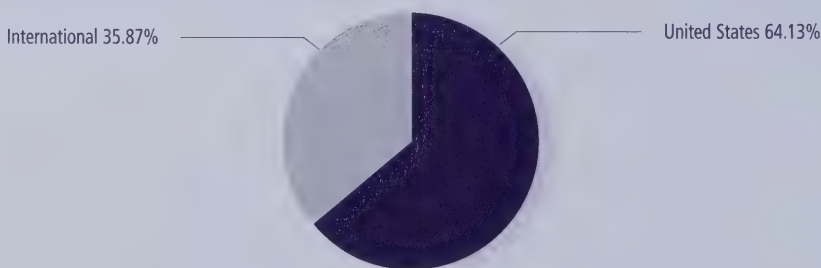
Investment Objectives

The Trust's investment objectives are to provide unitholders of the Trust with a stable stream of quarterly distributions of at least \$0.50 (\$2.00 annually) per unit while returning at a minimum the original issue price of the units to unitholders upon termination of the Trust on December 31, 2009.

Investment Strategy

The Trust intends to achieve its investment objectives by investing its net assets in a diversified portfolio consisting primarily of common shares issued by corporations selected from the Standard and Poor's 100 Index and ADRS's of the top 100 corporations trading on the New York Stock Exchange or NASDAQ, selected on the basis of market capitalization. The Trust may also, from time to time, invest up to 25% of its net asset value in World Equity Benchmark Shares (WEBS) compiled by Morgan Stanley Capital International Inc. To generate additional returns above the dividend income generated by the portfolio, the Trust will write covered call options in respect of all or part of the securities in the Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Asset Mix



Distribution History

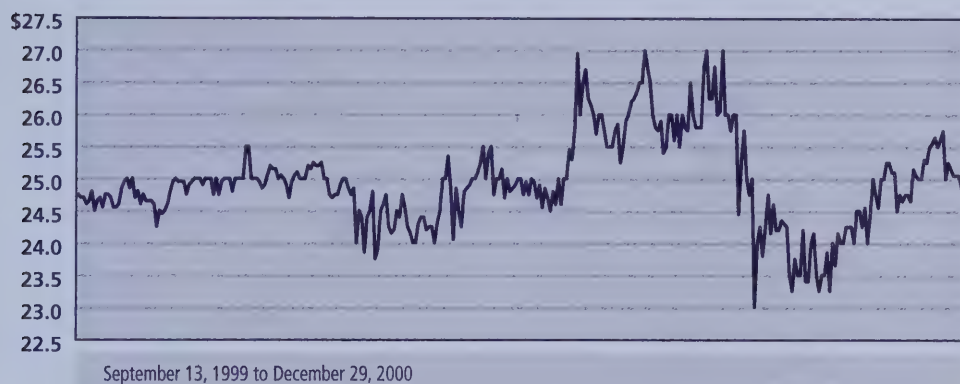
Inception Date: September 1999	Regular Distribution	Special Distribution	Total Distribution
Total for 1999	\$ 0.60	\$ 0.15	\$ 0.75
March 2000	0.50	0.25	0.75
June 2000	0.50	0.00	0.50
September 2000	0.50	0.25	0.75
December 2000	0.50	0.25	0.75
Total for 2000	2.00	0.75	2.75
Total Distribution to Date	\$ 2.60	\$ 0.90	\$ 3.50

Top 10 Holdings:

Bristol-Myers Squibb Co.
Johnson & Johnson Limited
United Technologies Corp.
Procter & Gamble Co.
Merrill Lynch Company Inc.

Vodafone Group PLC
Halliburton Co.
Texas Instruments Inc.
Merck & Co. Inc.
Exxon Mobil Corp.

Trading History



Commentary

As of December 31, 2000, the net assets of the Trust were \$105.12 million, or \$21.71 per unit, compared with net assets of \$120.89 million, or \$24.98 per unit, at the end of 1999. Distributions to unitholders during the year totalled \$2.75 per unit, made up of a regular distribution of \$2 per unit, plus a special distribution of 75 cents per unit. These distributions exceeded the minimum target of eight percent, based on the initial unit price of \$25. The Trust's units, listed on the Toronto Stock as GIPUN, traded at prices ranging from a high of \$27 to a low of \$23 during the year.

The year 2000 was a difficult one in global equity markets, with many foreign markets showing sharp year-over-year declines. The S&P 500 Index fell by just over 9 percent, the EAFE Index recorded a 10.15 percent downturn, and the NASDAQ plunged nearly 40 percent from its level at the end of 1999, after climbing to a record peak in March.

The Trust has maintained broad diversification in its portfolio, in order to minimize the potential impact of poor performance in any one industry or economic sector. Similar international diversification provides a hedge against negative economic conditions in any one country or region.

Currently, investments are focused primarily in the United States, and in such European countries as Britain, France and the Netherlands. Exposure in Asia and various emerging markets is being kept to low levels, and a prudent level of cash is being maintained for defensive purposes. A summary of the Trust's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Trust's unitholders for their continuing support.

Auditors' Report

To the Unitholders

We have audited the accompanying statement of investments of Global Plus Income Trust (the "Trust") as at December 31, 2000, the statements of net assets as at December 31, 2000 and 1999, and the statements of financial operations, of changes in net assets, of gain on sale of investments and of financial highlights for the periods (since inception) then ended. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2001

Statements of Net Assets

December 31, 2000 and 1999

	2000	1999
Assets		
Investments at market value (average cost - \$70,783,739; 1999 - \$80,545,752)	\$ 61,596,496	\$ 86,787,555
Short-term investments (average cost - \$43,838,428; 1999 - \$38,924,726)	43,201,908	38,908,330
Cash	142,986	-
Subscriptions receivable	15,317	5,844
Interest receivable	221,098	126,885
Dividends receivable	36,433	5,605
Due from broker	64,471	-
	105,278,709	125,834,219
Liabilities		
Overdraft	-	2,694,352
Accrued liabilities	156,913	248,274
Due to brokers	-	2,002,080
	156,913	4,944,706
Net Assets, Represented by Unitholders' Equity	\$ 105,121,796	\$ 120,889,513
Number of Units Outstanding (Note 5)	4,841,300	4,840,235
Net Asset Value Per Unit	\$ 21.7135	\$ 24.9760

On behalf of the Manager,
Mulvihill Fund Services Inc.


Manager: John P. Mulvihill


Manager: David N. Middleton

Statements of Financial Operations

Periods ended December 31, 2000 and 1999

	2000	1999
Income		(Note 1)
Dividends	\$ 994,472	\$ 115,951
Interest	3,345,943	842,984
Withholding tax	(135,115)	(15,647)
	4,205,300	943,288
Expenses (Note 6)		
Management fees	1,461,064	438,634
Custodian and other fees	255,022	56,897
Goods and services tax	120,126	34,687
	1,836,212	530,218
Net Investment Income	2,369,088	413,070
Gain on Sale of Investments and Options	11,215,006	3,410,391
Change in Unrealized (Depreciation)/Appreciation of Investments and Foreign Currency	(16,066,302)	6,240,184
Net (Loss) Gain on Investments	(4,851,296)	9,650,575
Total Results of Financial Operations	\$ (2,482,208)	\$ 10,063,645

Financial Statements

Statements of Changes in Net Assets

Periods ended December 31, 2000 and 1999

	2000	1999
		(Note 1)
Net Assets, Beginning of Period	\$ 120,889,513	\$ -
Unit Transactions		
Proceeds from units issued, net of issue costs	-	114,450,024
Proceeds from reinvestment of distributions	25,776	5,844
	25,776	114,455,868
Total Results of Financial Operations	(2,482,208)	10,063,645
Distributions to Unitholders (Note 7)		
From net investment income	(1,028,259)	(12,669)
From net realized gain on sale of investments	(11,880,468)	(3,410,392)
Non-taxable distribution	(402,558)	(206,939)
	(13,311,285)	(3,630,000)
Changes in Net Assets During the Period	(15,767,717)	120,889,513
Net Assets, End of Period	\$ 105,121,796	\$ 120,889,513

Statements of Gain on Sale of Investments and Options

Periods ended December 31, 2000 and 1999

	2000	1999
		(Note 1)
Proceeds From Sale of Investments	\$ 72,800,995	\$ 33,219,056
Cost of Investments Sold		
Cost of investments, beginning of period	80,545,752	-
Cost of investments purchased	51,823,976	110,354,417
	132,369,728	110,354,417
Cost of Investments, End of Period	(70,783,739)	(80,545,752)
	61,585,989	29,808,665
Gain on Sale of Investments and Options	\$ 11,215,006	\$ 3,410,391

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Short-term Investments				
Treasury Bills				
Government of Canada, USD - February 14, 2001	70,000	\$ 104,303	\$ 104,303	
Government of Canada, USD - February 22, 2001	50,000	75,843	73,898	
Government of Canada, USD - January 8, 2001	117,000	177,965	173,683	
Government of Canada, USD - January 8, 2001	149,000	146,984	146,984	
Government of Ontario - March 19, 2001	1,800,000	1,775,178	1,775,178	
Government of United States - March 22, 2001	5,400,000	8,100,616	7,994,154	
Total Treasury Bills		10,380,889	10,268,200	23.6 %
Discount Commercial Paper				
Canadian Wheat Board USD Deposit Note - January 25, 2001	2,560,000	3,825,187	3,782,922	
Canadian Wheat Board USD Deposit Note - March 5, 2001	335,000	506,135	495,310	
Export Development Corp USD Deposit Note - January 16, 2001	8,625,000	13,169,296	12,810,285	
Export Development Corp USD Deposit Note - January 26, 2001	7,400,000	11,153,589	11,046,204	
Total Discount Commercial Paper		28,654,207	28,134,721	64.9 %
Bearer Deposit Notes				
Alberta Treasury Branch - January 25, 2001	1,800,000	1,774,728	1,774,728	
Alberta Treasury Branch - March 22, 2001	2,000,000	1,972,860	1,972,860	
Total Bearer Deposit Notes		3,747,588	3,747,588	8.6 %
Interest Bearing Notes				
Royal Bank of Canada, 6.625% - January 3, 2001	700,000	1,055,744	1,051,399	2.4 %
		43,838,428	43,201,908	99.5 %
Accrued Interest		-	221,098	0.5 %
Total Short-term Investments		\$ 43,838,428	\$ 43,423,006	100.0 %
Investments				
Canadian Common Stocks				
Industrial Products				
Nortel Networks Corp.	40,000	\$ 2,365,904	\$ 1,926,312	3.1 %
Total Canadian Common Stocks		2,365,904	1,926,312	3.1 %
Foreign Common Stocks (excluding U.S.A.)				
Australia				
News Corporation Ltd., ADR	25,000	1,194,677	1,210,986	2.0 %
Britain				
BP Amoco PLC, ADR	20,000	1,574,784	1,438,163	
British Telecommunications PLC, ADR	10,000	2,428,503	1,302,983	
COLT Telecom Group PLC, ADR	10,000	1,710,086	1,318,003	
Reuters Group PLC	10,000	1,255,737	1,479,468	
Vodafone Group PLC, ADR	45,000	3,386,948	2,420,597	
Total Britain		10,356,058	7,959,214	12.9 %
Japan				
Bank of Tokyo-Mitsubishi Ltd., ADR	100,000	2,369,961	1,455,135	2.4 %

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments				
Foreign Common Stocks - excluding U.S.A. (continued)				
Netherlands				
Equant N.V.	45,000	5,083,300	1,761,562	
Koninklijke (Royal) Philips Electronics N.V.	25,000	954,467	1,361,185	
Royal Dutch Petroleum Co.	15,000	1,310,976	1,364,482	
Total Netherlands		7,348,743	4,487,229	7.2%
Finland				
Nokia Corp., ADR	25,000	1,503,218	1,633,422	2.7%
France				
Alcatel Alstom, ADR	20,000	1,254,399	1,680,375	
Aventis S.A., ADR	15,000	1,351,384	1,898,150	
Total France		2,605,783	3,578,525	5.8%
Mexico				
Telefonos de Mexico S.A., ADR	30,000	2,399,148	2,033,329	3.3%
Total Foreign Common Stocks (excluding U.S.A.)		27,777,588	22,357,840	36.3%
Common Stocks - U.S.A.				
Energy Sources				
Exxon Mobil Corp.	16,000	2,188,106	2,089,279	3.4%
Data Processing and Reproduction				
Hewlett-Packard Co.	25,000	1,720,318	1,185,170	
International Business Machines Corp.	10,000	1,640,385	1,276,698	
Total Data Processing and Reproduction		3,360,703	2,461,868	4.0%
Electrical and Electronics				
General Electric Co.	20,000	1,671,138	1,440,040	2.3%
Electrical Components and Instruments				
Texas Instruments Inc.	30,000	2,572,387	2,134,714	3.5%
Energy Equipment and Services				
Halliburton Co.	40,000	2,738,424	2,177,897	3.5%
Food and Household Products				
McDonald's Corp.	21,000	1,060,806	1,072,426	
Procter & Gamble Co.	25,000	3,152,811	2,945,324	
Total Food and Household Products		4,213,617	4,017,750	6.5%
Health and Personal Care				
Bristol-Myers Squibb Co.	30,000	3,210,078	3,331,619	
Gillette Co.	30,000	1,514,771	1,627,790	
Johnson & Johnson	20,000	2,773,603	3,156,073	
Merck & Co. Inc.	15,000	1,786,963	2,109,368	
Total Health and Personal Care		9,285,415	10,224,850	16.6%

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments				
Common Stocks - U.S.A. (continued)				
Telecommunications				
Lucent Technologies Inc.	45,000	3,647,015	912,464	
Verizon Communications	20,000	1,699,835	1,505,749	
Total Telecommunications		5,346,850	2,418,213	3.9 %
Banking				
Bank of America Corp.	25,000	1,774,590	1,722,604	2.8 %
Financial Services				
Citigroup Inc.	25,000	1,828,573	1,917,394	
Merrill Lynch & Company Inc.	25,000	2,060,209	2,560,437	
Total Financial Services		3,888,782	4,477,831	7.3 %
Multi-Industry				
Tyco International Ltd.	25,000	2,007,070	2,084,022	
United Technologies Corp.	25,000	2,258,629	2,952,364	
Total Multi-Industry		4,265,699	5,036,386	8.2 %
Total Common Stocks - U.S.A.		41,305,711	38,201,432	62.0 %
	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Call Options				
Number of Contracts (100 Shares per Contract)				
Alcatel Alsthom - February 2001 @ USD \$55	(100)	(79,446)	(90,120)	
Exxon Mobil Corp. - January 2001 @ USD \$90	(120)	(34,748)	(14,644)	
Gillette Co. - February 2001 @ USD \$35	(150)	(27,852)	(61,253)	
Johnson & Johnson Limited - January 2001 @ USD \$100	(200)	(94,605)	(199,015)	
Koninklijke (Royal) Philips Electronics - February 2001 @ USD \$40	(125)	(37,200)	(43,417)	
Merck & Co. Ltd. - February 2001 @ USD \$95	(100)	(68,054)	(67,590)	
Nortel Networks Corp. - March 2001 @ USD \$40	(200)	(65,368)	(73,222)	
Royal Dutch Petroleum Co. - January 2001 @ USD \$60	(150)	(52,313)	(56,325)	
Tyco International Ltd. - February 2001 @ USD \$55	(125)	(66,049)	(84,487)	
United Technologies Corp. - February 2001 @ USD \$75	(200)	(139,829)	(199,015)	
Total Written Call Options		(665,464)	(889,088)	(1.4) %
Total Investments		\$ 70,783,739	\$ 61,596,496	100.0 %

Financial Statements

Statements of Financial Highlights

Years ended December 31

	2000	1999*
Data Per Unit		
Net Asset Value, Beginning of Year	\$ 24.98	\$ 23.75**
Income from Investment Operations		
Net investment income	0.49	0.09
Net gain (loss) on investments	(1.01)	1.89
Total from investment operations	(0.52)	1.98
Distributions to Unitholders		
From net investment income	(0.22)	-
From net realized gain on sale of investment	(2.45)	(0.71)
Non-taxable distribution	(0.08)	(0.04)
Total distributions	(2.75)	(0.75)
Net Asset Value, End of Year	\$ 21.71	\$ 24.98
Ratios/Supplemental Data		
Total net assets, end of year (\$millions)	\$ 105.12	\$ 120.89
Average net assets (\$millions)	\$ 116.89	\$ 116.44
Management expense ratio	1.57%	1.51%
Portfolio turnover rate	44.34%	28.53%
Annual rate of return	(2.08)%	N/A

* For the period from inception on September 13, 1999 to December 31, 1999.

** Net of agent fees.

1. Establishment of the Trust

Global Plus Income Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on August 30, 1999. The Trust began operations on September 13, 1999 and will terminate on December 31, 2009 and its assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. ("Mulvihill") and the Trust's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Trust.

2. Investment Objectives of the Trust

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting principally of common shares issued by corporations selected from the Standard & Poor's 100 Index and American Depositary Receipts ("ADRs") of the top 100 corporations selected on the basis of market capitalization whose ADRs are trading on the New York Stock Exchange or NASDAQ. In addition, in order to provide further global investment opportunities, the Trust may, from time to time, invest up to a maximum of 25% of its net asset value in World Equity Benchmark Shares ("WEBS") that seek to provide investment results that track the performance of a specific country index compiled by Morgan Stanley Capital International Inc.

To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Trust may write cash covered put options in respect of securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter

into trades to close out positions in such permitted derivatives.

From time to time the Trust may hold a portion of its assets in cash equivalents.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies.

Valuation of investments

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell). If the last published sale price is not between the bid and the asked price, the bid or the asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest, which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation in investments.

Notes to the Financial Statements

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

4. Statements of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Unitholders' Equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. Units are issued only as fully paid and are non-assessable. Fractions of units are proportionately entitled to all of these rights except voting rights.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Unitholders whose units are redeemed on a December valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4% of such net asset value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

Following are the unit transactions for the period:

	2000	1999
Units outstanding, beginning of year	4,840,235	-
Units issued for cash	-	4,840,000
Units issued on reinvestment of distributions	1,065	235
Units outstanding, end of year	4,841,300	4,840,235

6. Management Fees And Expenses

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and manager in the ordinary course of business relating to the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10% and 1.15%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes.

7. Distributions

The Trust endeavours to make quarterly distributions to unitholders of net income and net realized capital gains and option premiums on the last day of March, June, September and December in each year. Unitholders may elect to reinvest distributions received from the Trust in additional units.

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

8. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2000 and 1999.

9. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$183,621 (1999 - \$148,231).

10. Statement Of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

Notes

DIGITAL WORLD TRUST [DWT.UN]

Annual Report 2000

December 31, 2000

Investment Highlights

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Investment Highlights

Investment Objectives

The Trust's investment objective is to provide unitholders with superior returns delivered in the form of (a) quarterly distributions and (b) appreciation in the value of the Trust's portfolio. The quarterly distributions will be derived primarily from net realized capital gains from the portfolio including premiums from writing covered call options on securities held in the Trust's portfolio, and from writing cash covered put options on securities in which the Trust is permitted to invest as well as from dividends received on the Trust's portfolio.

Investment Strategy

The Trust will invest its net assets in a diversified portfolio of common shares issued by leading digitally based companies. These companies are either listed on a major North America stock exchange or quoted on NASDAQ with a market capitalization in excess of US\$5.0 billion. They must operate within the sectors of Telecommunication Services, Telecommunication Equipment Suppliers, Enabling Hardware and Software, and Related Digital Commerce, Services and Products. The Trust will, from time to time, write covered call options in respect of all or part of the securities in its portfolio. The Trust may hold a portion of its assets in cash equivalents which may be utilized to provide cover in respect of the writing of the cash covered put positions.

Distribution History

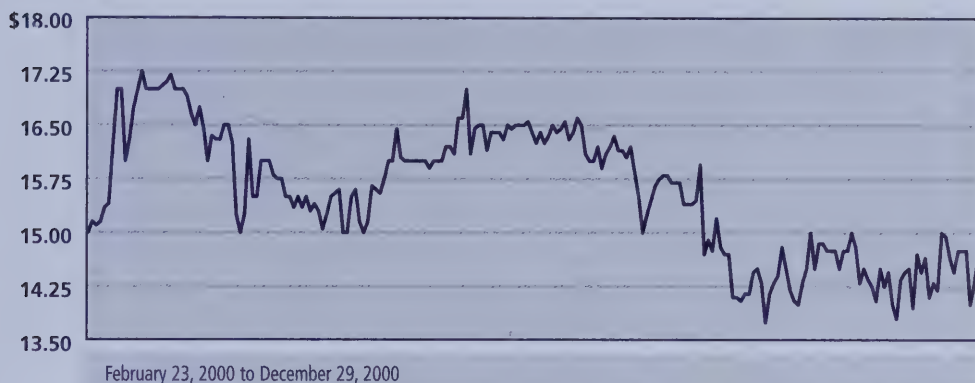
Inception Date: February 2000	Regular Distribution
March 2000	\$ 0.25
June 2000	0.60
September 2000	0.75
December 2000	0.75
Total for 2000	2.35
Total Distribution to Date	\$ 2.35

Top 10 Holdings:

Texas Instruments Inc.
 TD Waterhouse Group Inc.
 Telefonos de Mexico S.A. ADR
 Microsoft Corp.
 International Business Machines Corp.

Telefonos de Espana SA, ADR
 Oracle Corp.
 Sony Corp.
 Agilent Technologies Inc.
 Veritas Software Corp.

Trading History



Commentary

In a year of extreme volatility, the net asset value of the Fund's units declined from an initial value of approximately \$14 each in February to a level of \$9.06 by the end of 2000. This decrease was attributable to reductions in the market value of the Trust's investments, as well as the payment of four quarterly distributions to unitholders. During 10 months of operations, unitholders received distributions totalling \$2.35 per unit, which represents a yield of 15.6 percent on the initial unit price of \$15. In spite of a decidedly negative market environment, the Trust still managed to generate significant income from its covered call options program, enabling distributions to continue. The Trust's units, listed on the Toronto Stock as DWT.UN, traded at prices ranging from a high of \$17.25 to a low of \$13.75 during the year.

The telecommunications and technology sectors of the market were extremely hard hit, especially towards year-end. The NASDAQ index, the most relevant fund benchmark, soared to an all-time high of 5048 in March, then plunged to about half that level, finishing the year at 2470. The overall market decline was of such magnitude that even the highest-quality companies within this index were adversely affected.

A major cause for concern in the telecom sector is the difficulty many companies now face in financing huge capital expenditures for wireless license fees and other network expansion moves made over the past few years. This has led to substantial downward revisions in growth and earnings expectations for these companies, with corresponding declines in the market values of their shares.

In these troubled conditions, the Trust is concentrating its investments in the most proven and long-established companies in the technology, telecom and services sectors. These large, well-managed companies are best able to withstand a period of slower growth and more intense competition. The Trust will also continue to generate premium income from the writing of covered call options. A summary of the Trust's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Trust's unitholders for their continuing support.

Auditors' Report

To the Unitholders

We have audited the accompanying statements of net assets and investments of Digital World Trust (the "Trust") as at December 31, 2000, and the statements of financial operations, changes in net assets, gain on sale of investments and financial highlights for the period then ended. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at December 31, 2000, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the period then ended in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2001

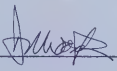
Statement of Net Assets

December 31, 2000

	2000
Assets	
Investments at market value (average cost - \$95,493,706)	\$ 54,060,904
Short-term investments (average cost - \$20,433,758)	20,105,658
Cash	27,131
Subscription receivable	311,323
Interest receivable	73,940
Dividends receivable	84,809
	74,663,765
Liabilities	
Accrued liabilities	137,294
Net Assets, Represented by Unitholders' Equity	\$ 74,526,471
Number of Units Outstanding (Note 5)	8,229,225
Net Asset Value Per Unit	\$9.0563

On behalf of the Manager,
Mulvihill Fund Services Inc.


Manager: John P. Mulvihill


Manager: David N. Middleton

Statement of Financial Operations

Period ended December 31, 2000

	2000
Income	
Interest	\$ 3,502,124
Dividends	652,033
Withholding taxes	(62,181)
	4,091,976
Expenses (Note 6)	
Management fees	1,033,358
Goods and services tax	174,638
Custodian and other fees	84,560
	1,292,556
Net Investment Income	2,799,420
Gain on Sale of Investments	16,604,868
Unrealized Depreciation of Investments	(41,760,902)
Net Loss on Investments	(25,156,034)
Total Results of Financial Operations	\$ (22,356,614)

Financial Statements

Statement of Changes in Net Assets

Period ended December 31, 2000

	2000
Net Assets, Beginning of Period	\$ -
Unit Transactions	
Proceeds from units issued, net of issue cost	115,426,500
Proceeds from reinvestment of distributions	705,663
	116,132,163
Total Results of Financial Operations	(22,356,614)
Distributions to Unitholders (Note 7)	
From net investment income	(1,470,563)
From net realized gain on sale of investments	(17,692,003)
Non-taxable distribution	(86,512)
	(19,249,078)
Increase in Net Assets During the Year	74,526,471
Net Assets, End of Period	\$ 74,526,471

Statement of Gain on Sale of Investments and Options

Period ended December 31, 2000

	2000
Proceeds from Sale of Investments	\$ 39,042,057
Cost of Investments Sold	
Cost of investments purchased	117,930,895
Cost of investments, end of period	(95,493,706)
	22,437,189
Gain on Sale of Investments and Options	\$ 16,604,868

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Short-term Investments				
Treasury Bills				
Government of Canada, USD - January 17, 2001	2,005,000	\$ 3,018,102	\$ 3,000,694	
Government of Canada, USD - February 22, 2001	2,450,000	3,716,299	3,621,016	
Government of Canada, USD - January 8, 2001	75,000	114,080	111,335	
Government of Canada, USD - February 20, 2001	70,000	103,557	102,851	
Government of the United States - March 22, 2001	6,600,000	9,900,753	9,770,633	
Total Treasury Bills		16,852,791	16,606,529	82.3%
Discount Commercial Paper				
Canadian Wheat Board, USD - January 25, 2001	300,000	448,182	443,309	
Canadian Wheat Board, USD - March 5, 2001	715,000	1,080,259	1,057,154	
Export Development Corp., USD - January 16, 2001	1,285,000	1,962,034	1,908,546	
Total Discount Commercial Paper		3,490,475	3,409,009	16.9%
Interest Bearing Notes				
Royal Bank of Canada, USD 6.625% - January 3, 2001	60,000	90,492	90,120	0.4%
		20,433,758	20,105,658	99.6%
Accrued interest		-	73,940	0.4%
Total Short-term Investments		\$ 20,433,758	\$ 20,179,598	100.0%
Investments				
Canadian Common Stocks				
Industrial Products				
BCE Emergis Inc.	45,000	\$ 4,349,580	\$ 1,984,500	
Celestica Inc.	25,000	2,481,250	2,025,000	
Nortel Networks Corp.	31,030	1,879,299	1,497,198	
Total Industrial Products		8,710,129	5,506,698	10.2%
Total Canadian Common Stocks		8,710,129	5,506,698	10.2%
Foreign Common Stocks (excluding U.S.A.)				
Britain				
British Telecommunications PLC, ADR	15,000	4,000,850	1,954,475	3.6%
France				
Alcatel Alsthom, ADR	15,000	1,658,988	1,260,281	
STMicroelectronics NV	30,000	2,809,959	1,929,128	
Total France		4,468,947	3,189,409	5.8%
Germany				
Deutsche Telekom AG, ADR	40,000	4,854,013	1,757,337	3.3%
Italy				
Telecom Italia SpA, ADR	10,000	2,379,675	1,656,899	3.1%

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments				
Foreign Common Stocks (excluding U.S.A.) (continued)				
Japan				
Sony Corp., ADR	20,000	4,397,259	2,087,777	3.9%
Mexico				
Telefonos de Mexico SA, ADR	40,000	4,143,622	2,711,106	5.0%
Spain				
Telefonos de Espana SA, ADR	30,000	3,097,535	2,252,996	4.2%
Total Foreign Common Stocks (excluding U.S.A.)		27,341,901	15,609,999	28.9%
Common Stocks - U.S.A.				
Data Processing and Reproduction				
Hewlett-Packard Co.	30,000	2,615,045	1,422,204	
International Business Machines Corp.	20,000	3,245,781	2,553,396	
Microsoft Corp.	40,000	4,962,724	2,605,966	
Novell Inc.	75,000	3,561,140	587,891	
Oracle Corp.	50,000	2,750,947	2,182,591	
Total Data Processing and Reproduction		17,135,637	9,352,048	17.3%
Telecommunications				
AT&T Corp.	40,000	1,776,340	1,040,134	
Global Crossing Ltd.	70,000	3,764,090	1,504,814	
JDS Uniphase Corp.	30,000	4,632,131	1,878,436	
Lucent Technologies Inc.	50,000	4,278,752	1,013,848	
Motorola Inc.	60,000	4,215,069	1,824,927	
Nextel Communications Inc., Class A	45,000	2,508,061	1,672,850	
Qwest Communications International Inc.	25,000	1,616,496	1,539,548	
Sprint Corp.	50,000	4,123,429	1,525,466	
Total Telecommunications		26,914,368	12,000,023	22.2%
Electrical Components and Instruments				
Texas Instruments Inc.	50,000	5,162,811	3,557,857	
Agilent Technologies Inc.	25,000	2,960,229	2,055,859	
Total Electrical Components and Instruments		8,123,040	5,613,716	10.4%
Internet Service Provider				
AOL Time Warner Inc.	25,000	1,694,688	1,306,738	2.4%
Financial Services				
TD Waterhouse Group Inc.	150,000	4,120,814	2,985,220	5.5%
Software				
Veritas Software Corp.	15,600	2,540,264	2,050,227	3.8%
Total Common Stocks - U.S.A.		60,528,811	33,307,972	61.6%

Statement of Investments (continued)

December 31, 2000

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Covered Call Options (100 Shares per Contract)				
AOL Time Warner Inc. - April 2001 @ USD \$45	(250)	(240,664)	(75,100)	
Nextel Communications Inc. - February 2001 @ USD \$35	(450)	(455,650)	(71,814)	
Veritas Software Corp. - February 2001 @ USD \$110	(150)	(390,821)	(216,851)	
Total Written Covered Call Options		(1,087,135)	(363,765)	(0.7)%
Total Investments		\$ 95,493,706	\$ 54,060,904	100.0%

Statement of Financial Highlights

Period ended December 31

	2000*
Data Per Unit	
Net Asset Value, Beginning of Period	\$ 14.18**
Income from Investment Operations	
Net investment income	0.34
Net loss on investments	(3.11)
Total from investment operations	(2.77)
Distributions to Unitholders	
From net investment income	(0.18)
From net realized gain on sale of investments	(2.16)
Non-taxable distribution	(0.01)
Total distributions	(2.35)
Net Asset Value, End of Period	\$ 9.06
Ratios/Supplemental Data	
Total net assets, end of period (\$millions)	\$ 74.53
Average net assets (\$millions)	\$ 100.42
Management expense ratio	1.50%
Portfolio turnover rate	38.88%
Annual rate of return	N/A

* For the period from inception on February 23, 2000 to December 31, 2000.

** Net of agent fees.

Notes to the Financial Statements

1. Establishment of the Trust

Digital World Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on February 15, 2000. The Trust began operations on February 23, 2000 and will terminate on December 31, 2009 and its assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. (the "Manager") and the Trust's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Trust.

2. Investment Objectives of the Trust

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting principally of common shares issued by leading "digitally- based" companies listed on a major North American stock exchange or quoted on NASDAQ with a market capitalization in excess of US \$5.0 billion and which operate within the sectors of telecommunication services, telecommunication equipment suppliers, enabling hardware and software and related digital commerce services and products.

To generate additional returns, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Trust may write cash covered put options in respect of securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time the Trust may hold a portion of its assets in cash equivalents.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies.

Valuation of investments

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the average of the bid and the asked price.

Short-term investments are valued at cost plus accrued interest, which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation in investments.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

4. Statement Of Financial Highlights

The following explanatory notes pertain to the Statement of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the period.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the period.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Unitholders' Equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal rights and privileges, except the units issued to a trust managed by the Manager or an affiliate of the Manager all or part of whose investment strategy is to track performance of the units of the Trust ("Related Trust"), a counterparty to a forward agreement entered into with a Related Trust (a "Counterparty") or an entity designated by a Counterparty (a "Designated party") may be redeemed at the net asset value on any valuation date. No units have been issued to either a Related Trust, Counterparty or Designated Party. Each whole unit is entitled to one vote at all meetings of unitholders and

is entitled to participate equally with respect to any and all distributions made by the Trust. Fractional units are not entitled to voting privileges.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Unitholders whose units are redeemed on a December valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4% of such net asset value per unit and (ii) \$0.60, except units held by a Related Trust, Counterparty or a Designated Party, which may be redeemed at the net asset value per unit on any valuation date. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

On February 23, 2000, the Trust issued 7,500,000 units at \$15.00 per unit for total gross cash proceeds of \$112,500,000. On March 6 and March 16, 2000, the Trust issued 600,000 and 80,000 units respectively at \$15 per unit, for total gross cash proceeds of \$10,200,000. Costs of \$7,273,500 were incurred in connection with these offerings and the establishment of the Trust.

Following are the unit transactions for the period:

	2000
Units outstanding, beginning of period	
Units issued for cash	8,180,000
Units issued on reinvestment of distribution	49,225
Units outstanding, end of period	8,229,225

6. Management Fees and Expenses

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and manager in the ordinary course of business relating to

Notes to the Financial Statements

the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10% and 1.10%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes. The fee of 0.10% is not payable on the value of units held by Related Trusts.

The Investment Manager is also entitled to an annual performance fee per unit equal to 10% of the amount by which cash distributions paid in a financial year plus the change in the net asset value per unit of the Trust since the December valuation date of the previous financial year exceeds 20% of the net asset value per unit at the December valuation date of the previous financial year. No performance fee will be paid in a financial year if cumulative total returns have not exceeded a 15% cumulative return since inception on the original investment of \$15.00, and unless the total return for the Trust for such year exceeds the simple average of the annual total return for such year of the Scotia Capital 91-day T-Bill Index and the NASDAQ 100 Index. No incentive fee was payable in respect of 2000.

7. Distributions

The Trust endeavours to make quarterly cash distributions to unitholders of net income and net realized capital gains and options on the last day of March, June, September and December in each year. Unitholders may elect to reinvest distributions received from the Trust in additional units.

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

8. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2000.

9. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$240,786.

10. Statement of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

PRO-AMS U.S. TRUST [PAM.UN]

Annual Report 2000

December 31, 2000

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Investment Highlights

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Investment Highlights

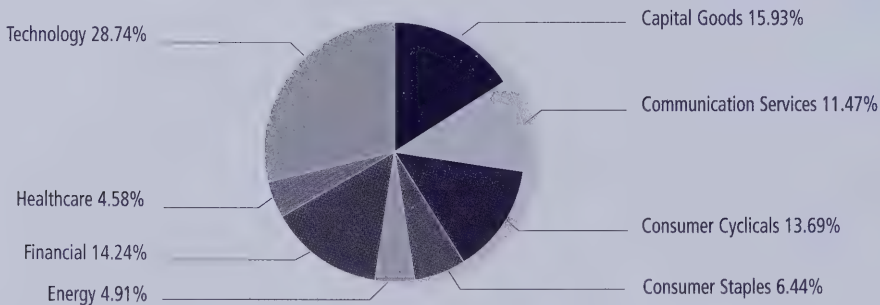
Investment Objectives

The Trust's investment objectives are to return at a minimum the original issue price of the units to unitholders upon termination of the Trust on January 4, 2011, to provide unitholders of the Trust with a stable stream of monthly distributions of at least \$0.1875 (\$2.25 annually) per unit, and to preserve the value of the Trust's Managed Portfolio which will provide unitholders with capital appreciation above the original issue price.

Investment Strategy

To provide the Trust with the means to return the original issue price on termination, the Trust will enter into a "forward purchase and sale agreement" with the Royal Bank of Canada ("RBC") whereby RBC will pay the Trust \$25.00 for each unit outstanding on the Termination Date in exchange for delivery of the Trust's fixed portfolio. The Trust intends to achieve its investment objectives by investing the balance of the net assets in a diversified portfolio consisting primarily of common shares issued by corporations selected from the S&P 500 Index, with a market capitalization in excess of \$5.0 billion. To generate additional returns above the dividend income generated by the portfolio, the Trust will write covered call options in respect of all or part of the securities in the Managed Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Asset Mix of Managed Portfolio



Distribution History

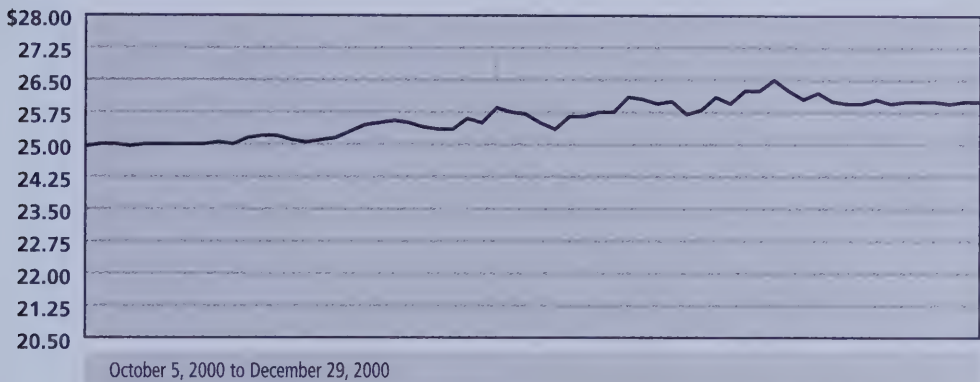
Inception Date: October 2000	Regular Distribution
November 2000	\$ 0.3500
December 2000	0.1875
Total for 2000	0.5375
Total Distribution to Date	\$ 0.5375

Top 10 Holdings:

Tyco International Ltd.
Citigroup Inc.
Merrill Lynch
Bristol-Myers Squibb Company
Bank of America Corp.

General Electric Corporation
Halliburton Co.
Wal-Mart Stores Inc.
United Technologies Corporation
Home Depot Inc.

Trading History



Commentary

Pro-AMS U.S. Trust was launched in October of 2000 with an initial unit price of \$25. At inception, the Trust's assets were \$538.39 million, or \$23.59 per unit. As of December 31, 2000, assets had declined slightly to \$525.41 million, or \$23.02 per unit. During this period, unitholders received distributions totalling \$0.5375 per unit, meeting the Trust's target distribution level of 9 percent.

Though there was a modest reduction in net asset value, the Trust's units on the Toronto Stock Exchange, listed as PAM.UN, closed at \$26 on December 31, 2000, \$1 above the issue price. The Trust's features, combining principal protection and regular monthly distributions, are attractive to investors during periods of market uncertainty.

The last quarter of 2000 was marked by very turbulent market conditions. There was a severe correction in technology stocks as well as a more modest correction in the overall U.S. market. Volatility levels in the market were very high, which enabled the Trust to generate high levels of premium from its option writing program.

U.S. equity markets are likely to remain volatile for some time to come, as the outlook for the U.S. economy remains clouded by uncertainties. Accordingly, the Trust is conservatively positioned and is maintaining a well diversified portfolio and a strong defensive cash position. A summary of the Trust's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Trust's unitholders for their continuing support.

Auditors' Report**To the Unitholders**

We have audited the accompanying statements of net assets and of investments of Pro-AMS U.S. Trust (the "Trust") as at December 31, 2000 and the statements of financial operations, changes in net assets, gain on sale of investments and financial highlights for the period then ended. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at December 31, 2000, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the period then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2001

Statement of Net Assets

December 31, 2000

	2000
Assets	
Investments at market value (average cost - \$137,928,565)	\$ 116,945,772
Short-term investments (average cost - \$78,321,021)	78,167,042
Cash	1,900,180
Dividends receivable	40,392
Interest receivable	142,543
Due from broker	4,428,492
Forward Agreement (Note 5)	325,103,576
	526,727,997
Liabilities	
Accrued liabilities	1,317,853
Net Assets, Represented by Unitholders' Equity	\$ 525,410,144
Number of Units Outstanding (Note 6)	22,820,753
Net Asset Value Per Unit	\$ 23.0233

On behalf of the Manager,
Mulvihill Fund Services Inc.


Manager: John P. Mulvihill


Manager: David N. Middleton

Statement of Financial Operations

Period ended December 31, 2000

	2000
Income	
Dividends	\$ 289,103
Interest	1,509,402
Withholding tax	(43,111)
	1,755,394
Expenses	
Management fees (Note 7)	1,616,191
Forward agreement fee (Note 5)	624,312
Custodian and other fees (Note 7)	38,336
Goods and services tax	115,817
	2,394,656
Net Investment Loss	(639,262)
Gain on Sale of Investments and Options	10,510,533
Unrealized Depreciation of Investments and Foreign Currency	(10,585,262)
Net Loss on Investments	(74,729)
Total Results of Financial Operations	\$ (713,991)

Financial Statements

Statement of Changes in Net Assets

Period ended December 31, 2000

	2000
Net Assets, Beginning of Period	\$ -
Unit Transactions	
Proceeds from units issued, net of issue costs (Note 6)	538,390,290
Total Results of Financial Operations	(713,991)
Distributions to Unitholders (Note 8)	
From net investment income	(1,697)
From net realized gain on sale of investments	(12,264,458)
	(12,266,155)
Increase in Net Assets During the Period	525,410,144
Net Assets, End of Period	\$ 525,410,144

Statement of Gain on Sale of Investments and Options

Period ended December 31, 2000

	2000
Proceeds from Sale of Investments	\$ 63,223,252
Cost of Investments Sold	
Cost of investments purchased	505,158,309
Cost of investments, end of period	(452,445,590)
	52,712,719
Gain on Sale of Investments of Investments and Options	\$ 10,510,533

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments - Managed Portfolio				
Canadian Common Stocks				
Nortel Networks, USD	60,000	\$ 6,280,290	\$ 2,889,468	
Total Canadian Common Stocks		6,280,290	2,889,468	0.5%
Common Stocks - U.S.A.				
Energy Sources				
Apache Corp.	10,000	836,846	1,052,337	0.2%
Data Processing and Reproduction				
Cisco Systems	65,000	5,667,521	3,734,342	
EMC Corporation	35,000	4,680,718	3,495,900	
Hewlett-Packard Co.	70,000	4,695,775	3,318,476	
IBM Corp.	32,500	5,420,361	4,149,269	
Microsoft Corp.	45,000	3,937,696	2,931,712	
Oracle Corporation	90,000	4,396,128	3,928,662	
Total Data Processing and Reproduction		28,798,199	21,558,361	4.1%
Electrical and Electronics				
General Electric Corporation	70,000	5,563,033	5,040,141	
Solelectron Corporation	65,000	4,405,466	3,309,652	
Total Electrical and Electronics		9,968,499	8,349,793	1.6%
Electrical Components and Instruments				
Texas Instruments	60,000	4,365,405	4,269,428	0.8%
Energy Equipment and Services				
Halliburton Co.	90,000	6,129,342	4,900,267	0.9%
Automobiles				
Ford Motor Company	120,000	4,591,065	4,224,368	0.8%
Food and Household Products				
Clorox Company	65,000	4,573,696	3,465,860	
McDonald's Corporation	85,000	4,403,521	4,340,773	
Total Food and Household Products		8,977,217	7,806,633	1.5%

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments - Managed Portfolio				
Common Stocks - U.S.A. (continued)				
Health and Personal Care				
Bristol-Myers Squibb Company	50,000	5,112,834	5,552,698	1.1%
Internet Service Provider				
AOL Time Warner Inc.	60,000	4,586,483	3,136,171	0.6%
Merchandising				
Home Depot Inc.	65,000	4,452,681	4,460,464	
Wal-Mart Stores	60,000	4,545,378	4,787,618	
Total Merchandising		8,998,059	9,248,082	1.8%
Telecommunications				
JDS Uniphase Corp.	40,000	4,678,024	2,504,581	
Motorola Inc.	120,000	4,487,973	3,649,854	
Nextel Communications Inc.	75,000	4,421,429	2,788,083	
Qwest Communications International Inc.	65,000	4,519,608	4,002,824	
Verizon Communications	50,000	4,523,675	3,764,382	
WorldCom Inc.	160,000	4,246,794	3,364,475	
Total Telecommunications		26,877,503	20,074,199	3.8%
Banking				
Bank of America Corp.	80,000	5,582,973	5,512,331	1.0%
Financial Services				
Citigroup	80,000	6,043,222	6,135,660	
Merrill Lynch	55,000	5,264,847	5,632,961	
Total Financial Services		11,308,069	11,768,621	2.2%
Multi-Industry				
Tyco International Ltd.	75,000	6,180,625	6,252,065	
United Technologies Corporation	40,000	4,367,064	4,723,783	
Total Multi-Industry		10,547,689	10,975,848	2.1%
Total Common Stocks - U.S.A.		136,680,183	118,429,137	22.5%

Statement of Investments (continued)

December 31, 2000

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Covered Call Options				
Number of Contracts (100 Shares per Contract)				
AOL Time Warner Inc. - January 2001 @ \$50	(500)	(210,967)	(11,265)	
Bank of America - January 2001 @ \$42	(700)	(130,103)	(413,988)	
Bristol-Myers Squibb Company - January 2001 @ \$67	(500)	(215,729)	(544,474)	
Cisco Systems - January 2001 @ \$58	(500)	(208,729)	(4,694)	
Citigroup - January 2001 @ \$50	(550)	(217,333)	(258,156)	
Clorox Company - January 2001 @ \$33	(650)	(144,343)	(341,704)	
Ford Motor Company - January 2001 @ \$25	(1,200)	(132,049)	(22,530)	
Halliburton Co. - January 2001 @ \$38	(500)	(116,859)	(28,162)	
Hewlett-Packard Co. - January 2001 @ \$33	(300)	(81,386)	(78,855)	
Hewlett-Packard Co. - January 2001 @ \$38	(300)	(120,003)	(22,530)	
Home Depot Inc. - January 2001 @ \$45	(650)	(231,965)	(164,750)	
IBM Corp. - January 2001 @ \$110	(200)	(116,068)	(5,632)	
McDonald's Corporation - January 2001 @ \$33	(850)	(147,346)	(239,381)	
Merrill Lynch - January 2001 @ \$63	(500)	(338,949)	(384,887)	
Microsoft Corp. - January 2001 @ \$58	(450)	(288,106)	(8,449)	
Motorola Inc. - January 2001 @ \$22	(600)	(66,684)	(90,120)	
Motorola Inc. - January 2001 @ \$23	(600)	(88,186)	(39,427)	
Nextel Communications Inc. - January 2001 @ \$33	(375)	(58,928)	(35,203)	
Nextel Communications Inc. - January 2001 @ \$40	(375)	(140,586)	(7,041)	
Nortel Networks USD - January 2001 @ \$43	(300)	(102,208)	(5,632)	
Oracle Corporation - January 2001 @ \$33	(750)	(181,560)	(112,650)	
Qwest Communications International Inc. - January 2001 @ \$44	(325)	(85,794)	(36,611)	
Qwest Communications International Inc. - January 2001 @ \$45	(325)	(79,044)	(27,458)	
Soletron Corporation - January 2001 @ \$33	(350)	(106,428)	(178,738)	
Texas Instruments - January 2001 @ \$50	(400)	(180,166)	(135,180)	
Tyco International Ltd. - January 2001 @ \$55	(500)	(206,413)	(197,137)	
United Technology Corp. - January 2001 @ \$72	(400)	(180,010)	(424,314)	
Verizon Communications - January 2001 @ \$59	(500)	(183,215)	(9,391)	
Wal-Mart Stores - January 2001 @ \$50	(600)	(224,712)	(439,334)	
WorldCom Inc. - January 2001 @ \$18	(1,600)	(448,039)	(105,140)	
Total Written Covered Call Options		(5,031,908)	(4,372,833)	(0.8)%
Total Investments		\$ 137,928,565	\$ 116,945,772	22.2%
Short-term Investments			78,167,042	14.9%
Other Assets Less Liabilities			5,193,754	1.0%
Total Managed Portfolio			200,306,568	38.1%
Forward Agreement			325,103,576	61.9%
Net Assets			\$ 525,410,144	100.0%

Financial Statements

Statement of Financial Highlights

Period ended December 31

	2000*
Data Per Unit	
Net Asset Value, Beginning of Period	\$ 23.59**
Income from Investment Operations	
Net investment loss	(0.03)
Total from investment operations	(0.03)
Distributions to Unitholders	
From net realized gain on sale of investments	(0.54)
Total distributions	(0.54)
Net Asset Value, End of Period	\$ 23.02
Ratios/Supplemental Data	
Total net assets, end of period (\$millions)	\$ 525.41
Average net assets (\$millions)	\$ 530.26
Management expense ratio	1.85%
Portfolio turnover rate	11.92%
Annual rate of return	N/A

* For the period from inception on October 4, 2000 to December 31, 2000.

** Net of agent fees.

1. Establishment of the Trust

Pro-AMS U.S. Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on September 27, 2000. The Trust began operations on October 4, 2000 and will terminate on January 4, 2011 and its assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. (the "Manager") and the Trust's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Trust.

2. Investment Objectives and Strategy

The Trust's investment objectives are (i) to return at least the original issue price of \$25 per unit to the unitholders upon termination of the Trust and (ii) to provide unitholders with a stable stream of monthly distributions. To achieve the first objective, the Trust has entered into a forward purchase and sale agreement (the "Forward Agreement") pursuant to which the counterparty will pay to the Trust an amount equal to the original issue price for each unit outstanding on the termination date in exchange for the Trust delivering to the counterparty certain equity securities which it purchased with approximately 55% of the gross proceeds from the initial offering of units (the "Fixed Portfolio"). The balance of the net proceeds of the initial offering will be invested in a diversified portfolio (the "Managed Portfolio") consisting principally of equity securities of companies with a market capitalization in excess of US \$5.0 billion selected from the S&P 500 Index.

To generate additional returns, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the Managed Portfolio. In addition, the Trust may write cash covered put options in respect of securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call

options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time the Trust may hold a portion of its assets in cash equivalents.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies.

Valuation of investments

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the average of the bid and the asked price.

Short-term investments are valued at cost plus accrued interest, which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

The value of the Forward Agreement is the market value of securities in the Fixed Portfolio and the gain or loss that would be realized if the positions are closed out on the valuation date unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest provided that valuation of the Forward Agreement may be postponed for up to five business days if the trading in the shares of an issuer in the Fixed Portfolio is suspended from trading at such times.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Notes to the Financial Statements

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation in investments.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

4. Statement Of Financial Highlights

The following explanatory notes pertain to the Statement of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the period.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the period.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Forward Agreement

The Trust has entered into a Forward Agreement with Royal Bank of Canada ("RBC") pursuant to which RBC will pay the Trust an amount equal to \$25.00 for each unit outstanding on the termination date in exchange for the Trust delivering to RBC the equity securities included in the Fixed Portfolio. The securities in the Fixed Portfolio had a cost of \$314,517,024 and are comprised of common shares of Air Canada Inc., Anderson Exploration Ltd., ATI Technologies Inc., Canadian Natural Resources Ltd., Mitel Corporation, Inco Ltd., Talisman Energy Inc., Precision Drilling Corporation and BioChem Pharma.

Securities in the Fixed Portfolio have been pledged to RBC as security for the obligations of the Trust under the Forward Agreement. The market value of securities in the Fixed Portfolio of \$281,656,368 at December 31, 2000 is reflected in the market value of the Forward Agreement. The Forward Agreement is a direct obligation of RBC, a company with a credit rating of Moodys-Aa2 and DBRS-AA (low). The Forward Agreement may be physically or cash settled at the option of the Trust. In order to permit the Trust to fund periodic redemptions of units, the Forward Agreement may be settled in whole or in part in respect of any valuation date by the Trust tendering to RBC securities of the Fixed Portfolio at a price equal to the current market value of the tendered securities and the value of the portion of the Forward Agreement attributable to such securities.

A yearly fee of 0.538% is payable by the Trust on the guaranteed value of the Forward Agreement. Fees are accrued and payable every quarter.

6. Unitholders' Equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with

respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. Units are issued only as fully paid and are non-assessable. Fractions of units are proportionately entitled to all of these rights except voting rights.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Unitholders whose units are redeemed on a December valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4% of such net asset value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

On October 4, 2000, the Trust issued 21,000,000 units at \$25.00 per unit for total gross cash proceeds of \$525,000,000. On October 23, 2000, the Trust issued 1,820,753 units at \$25 per unit for total gross cash proceeds of \$45,518,825. Costs of \$32,128,535 were incurred in connection with these offerings and the establishment of the Trust.

7. Management Fees and Expenses

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and Manager in the ordinary course of business relating to the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management

agreement. The fees are payable at annual rates of 0.10% and 1.15%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes.

8. Distributions

The Trust endeavours to make monthly cash distributions to unitholders of net income and net realized capital gains and option premiums on the last day of each month in each year.

9. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2000.

10. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$512,614.

11. Statement of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

Notes

MCM SLIT SHARE CORP. [MUH.A/MUH.PR.A]

Annual Report 2001

January 31, 2001 and 2000

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Investment Highlights

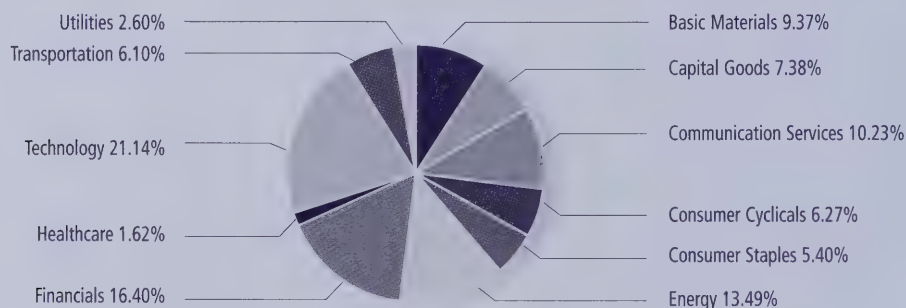
Investment Objectives

The Corporation's investment objectives are to provide Preferred shareholders with quarterly cash dividends to yield 5.50% per annum based on the share's par value and to provide Class A shareholders with all excess realized income of the Corporation at each fiscal year end. The Corporation has set an initial dividend policy on the Class A shares of \$0.30 per quarter or 8% per annum based on the shares' issue price. The Corporation intends to return, at a minimum, the original issue prices of the shares to shareholders upon windup on February 1, 2008.

Investment Strategy

The Corporation intends to achieve its investment objectives by investing its net assets in a diversified portfolio consisting principally of common shares issued by some or all of a group selected from the TSE 300 Index. In order to meet its investment objectives, the Corporation may, from time to time invest up to 20% of the cost amount of its assets in common shares issued by corporations selected from the Standard & Poor's 100 Index. To generate additional returns above the dividend income earned on the portfolio, the Corporation will from time to time, write covered call and put options in respect of all or part of the common shares in the Portfolio.

Asset Mix



Distribution History

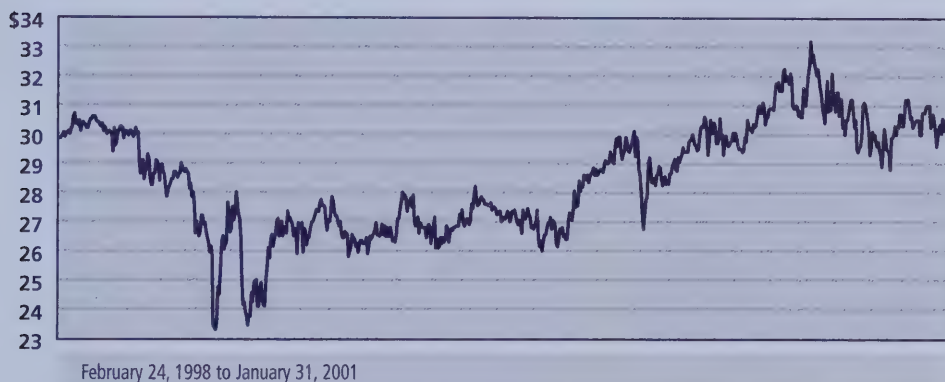
Inception Date: February 1998	Class A Regular	Special Distribution	Class A Total	Preferred Regular Distribution
Total for 1998	\$ 0.8137	\$ 0.0000	\$ 0.8137	\$ 0.586000
Total for 1999	1.2000	0.1000	1.3000	0.860391
January 2000	0.3000	0.5000	0.8000	0.213904
April 2000	0.3000	0.5000	0.8000	0.215273
July 2000	0.3000	0.5000	0.8000	0.213504
October 2000	0.3000	0.2500	0.5500	0.215394
Total for 2000	1.2000	1.7500	2.9500	0.858075
January 2001	0.3000	0.3000	0.6000	0.215776
Total for 2001	0.3000	0.3000	0.6000	0.215776
Total Distribution to Date	\$ 3.5137	\$ 2.1500	\$ 5.6637	\$ 2.520242

Top 10 Holdings:

Nortel Networks Corp.
BCE Inc.
Canadian Imperial Bank of Commerce
Bombardier Inc. Class B
Alcan Aluminium Ltd.

Petro-Canada
Toronto-Dominion Bank
Magna International Inc., Class A
Canadian Pacific Ltd.
Microsoft Corp.

Trading History



Commentary

During a turbulent year on equity markets, the Corporation made distributions to shareholders that exceeded the minimum targets for both class A and preferred shareholders. A total of \$2.75 per share was distributed to class A shareholders during the year, made up of a regular dividend of \$1.20 per share, plus special distributions of \$1.55 per share. Preferred shareholders received dividends of \$0.8598 per share.

The Corporation's net assets, as of January 31, 2001, had declined modestly to \$14.57 per class A share, compared with net assets of \$58.90 million, or \$14.61 per class A share, at the end of January, 2000. Class A units, listed on the Toronto Stock as MUH.A, traded at prices ranging from a high of \$18.45 to a low of \$14.00 during the year. Preferred units, listed as MUH.PRA, traded at prices ranging from \$15.10 to \$13.25.

The Corporation's portfolio was adversely affected by the sharp slowdown in the U.S. economy in the latter part of the year. U.S. equity markets ended up with negative year-over-year returns, but the TSE delivered a better performance, becoming one of the few markets in the world to generate a positive return for the year. The Canadian economy is currently following the course of U.S. economy, with estimates of GDP growth now revised downwards in both countries. However, many positive aspects remain in the Canadian outlook, particularly in sectors such as energy and financial services.

The Corporation's portfolio is now well-diversified, with representation in all major industrial sectors, including some exposure in U.S. markets. In a climate of substantial uncertainty, a prudent level of cash reserves is being maintained to accommodate new developments.

A summary of the Corporation's investments as well as its financial statements are included in this annual report.

We would like to take this opportunity to thank each of the Corporation's unitholders for their continuing support.

Auditors' Report

To the Shareholders

We have audited the accompanying statement of investments of MCM Split Share Corp. (the "Company") as at January 31, 2001, the statements of financial position as at January 31, 2001 and 2000, and the statements of operations and retained earnings, of changes in net assets and of changes in investments for the years then ended, and the statements of financial highlights for each of the periods or years (since inception) in the three year period ended January 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company and its investments as at dates indicated above, and the results of its operations, the changes in its net assets and investments, and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2000

MCM Split Share Corp.

Financial Statements

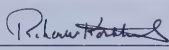
Statements of Financial Position

January 31, 2001 and 2000

	2001	2000
Assets		
Investments at market value (average cost - \$86,194,087; 2000 - \$121,735,918)	\$ 86,652,625	\$ 122,795,100
Cash and cash equivalents	10,557,076	3,901,508
Interest, dividends and other receivables	322,289	958,636
	97,531,990	127,655,244
Liabilities		
Accounts payable and accrued liabilities	151,040	223,173
Redeemable preferred shares (Note 4)	49,401,225	60,463,200
Net redemptions payable	-	8,062,032
	49,552,265	68,748,405
Equity		
Class A and class B shares (Note 4)	43,615,295	55,390,567
Retained earnings	3,971,766	2,472,950
Unrealized appreciation in the market value of assets	392,664	1,043,322
	47,979,725	58,906,839
Total Liabilities and Equity	\$ 97,531,990	\$ 127,655,244
Net Asset Value Per Class A Share	\$ 14.5681	\$ 14.6136

On behalf of the Board,


Director: John P. Mulvihill


Director: Robert W. Korthals

Statements of Operations and Retained Earnings

Years Ended January 31, 2001 and 2000

	2001	2000
Revenue		
Interest	\$ 1,974,577	\$ 1,790,569
Dividends	1,270,076	1,659,421
Withholding taxes	(20,649)	(30,986)
	3,224,004	3,419,004
Net Realized Gains on Investments and Options	12,114,088	11,839,412
	15,338,092	15,258,416
Expenses (Note 5)		
Management fees	1,346,758	1,574,448
Administrative and other expenses	139,529	118,622
GST and capital taxes	104,040	115,986
	1,590,327	1,809,056
Net Income Before Distributions and Income Taxes	13,747,765	13,449,360
Income Tax Expense (Recovery) (Note 6)	65,693	(7,866)
Net Income Before Distributions	13,682,072	13,457,226
Preferred Share Distributions	2,894,766	3,774,716
Net Income	\$ 10,787,306	\$ 9,682,510
Retained Earnings		
Balance, beginning of year	\$ 2,472,950	\$ 657,343
Net income	10,787,306	9,682,510
Distributions on class A shares	(9,288,490)	(7,866,903)
Balance, End of Year	\$ 3,971,766	\$ 2,472,950

Financial Statements

Statements of Changes in Net Assets

Years ended January 31, 2001 and 2000

	2001	2000
Share Capital Transactions		
Class A shares redeemed, net	\$ (11,775,272)	\$ (7,844,179)
Net Income Before Distributions	13,682,072	13,457,226
Distributions to Unitholders (Note 6)		
Preferred Shares (Note 7)	(2,894,766)	(3,774,716)
Class A Shares	(9,288,490)	(7,866,903)
	(12,183,256)	(11,641,619)
Change in Net Unrealized Appreciation/(Depreciation) of Assets During the Year	(650,658)	6,057,364
Change in Equity During the Year	(10,927,114)	28,792
Equity, Beginning of Year	58,906,839	58,878,047
Equity, End of Year	\$ 47,979,725	\$ 58,906,839

Statements of Changes in Investments

Years ended January 31, 2001 and 2000

	2001	2000
Investments at Market Value, Beginning of Year	\$ 122,795,100	\$ 129,837,486
Unrealized (Appreciation) Depreciation of Investments, Beginning of Year	(1,059,182)	5,011,252
Investments at Cost, Beginning of Year	121,735,918	134,848,738
Cost of Investments Purchased During the Year	57,851,213	99,850,174
Cost of Investments Sold During the Year		
Proceeds from sales	105,507,132	124,802,406
Net realized gains on sales	(12,114,088)	(11,839,412)
	93,393,044	112,962,994
Investments at Cost, End of Year	86,194,087	121,735,918
Unrealized Appreciation of Investments, End of Year	458,538	1,059,182
Investments at Market Value, End of Year	\$ 86,652,625	\$ 122,795,100

Statement of Investments

January 31, 2001

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments				
Canadian Bonds				
Federal Guaranteed Bonds				
Canadian Mortgage and Housing Corp.-7.000% - June 1, 2001	22,645,000	\$ 22,772,714	\$ 22,777,171	26.3%
Canadian Common Stocks				
Metals and Minerals				
Alcan Aluminium Ltd.	60,000	2,973,500	3,247,200	3.7%
Gold and Precious Metals				
Placer Dome Inc.	90,000	1,697,875	1,197,000	1.4%
Oil and Gas				
Anderson Exploration Ltd.	55,000	1,557,250	1,608,750	
Imperial Oil Ltd.	35,000	1,219,917	1,226,750	
Nexen Inc.	55,000	1,321,250	1,922,250	
Petro-Canada	70,000	1,614,326	2,446,500	
Total Oil and Gas		5,712,743	7,204,250	8.3%
Paper and Forest Products				
Domtar Inc.	140,000	2,540,358	1,673,000	1.9%
Industrial Products				
ATI Technologies Inc.	105,000	1,966,639	1,081,500	
Bombardier Inc., Class B	140,000	1,559,704	3,435,600	
Celestica Inc.	20,000	1,745,703	2,020,000	
Magna International Inc., Class A	35,000	3,422,240	2,362,500	
Mitel Corp.	56,100	1,475,666	930,138	
Nortel Networks Corp.	90,000	2,645,636	5,274,900	
Total Industrial Products		12,815,588	15,104,638	17.4%
Transportation and Environmental Services				
Canadian National Railway Co.	30,000	1,357,230	1,672,200	1.9%
Pipelines				
TransCanada PipeLines Ltd.	105,000	2,787,600	1,701,000	2.0%
Utilities				
BCE Inc.	89,000	2,493,883	3,822,550	4.4%
Communications and Media				
Thomson Corp.	31,000	1,716,750	1,735,690	2.0%
Merchandising				
Loblaw Companies Ltd.	29,000	1,421,580	1,371,700	1.6%
Financial Services				
Canadian Imperial Bank of Commerce	70,000	3,133,403	3,679,900	
Manulife Financial Corp.	30,000	1,259,516	1,246,500	
Royal Bank of Canada	40,000	1,922,625	1,928,000	
Sun Life Financial Services of Canada	41,000	1,360,050	1,439,100	
Toronto-Dominion Bank	54,700	1,997,032	2,415,005	
Total Financial Services		9,672,626	10,708,505	12.4%

Financial Statements

Statement of Investments (continued)

January 31, 2001

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments (continued)				
Canadian Common Stocks (continued)				
Conglomerates				
Canadian Pacific Ltd.	50,000	2,027,983	2,312,500	2.7%
Total Canadian Common Stocks		47,217,716	51,750,233	59.7%
Common Stocks - U.S.A.				
Data Processing and Reproduction				
Microsoft Corp.	25,000	3,440,963	2,292,136	
Oracle Corp.	18,000	909,217	787,162	
Total Data Processing and Reproduction		4,350,180	3,079,298	3.6%
Electrical and Electronics				
General Electric Co.	20,000	1,322,507	1,381,381	1.6%
Electrical Components and Instruments				
Texas Instruments Inc.	5,000	477,847	328,829	0.4%
Energy Equipment and Services				
Halliburton Co.	26,000	1,768,325	1,608,018	1.9%
Food and Household Products				
Procter & Gamble Co.	20,000	2,040,347	2,157,357	2.5%
Health and Personal Care				
Amgen Inc.	10,000	941,461	1,055,743	1.2%
Telecommunications				
AT&T Corp.	45,000	2,577,102	1,620,946	
Lucent Technologies Inc.	39,000	2,787,414	1,089,189	
Nextel Communications Inc., Class A	24,000	1,200,905	1,236,486	
Total Telecommunications		6,565,421	3,946,621	4.5%
Total Common Stock - U.S.A.		17,466,088	13,557,247	15.7%
	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Call Options (100 Shares per Contract)				
Alcan Aluminium Ltd. - April 2001 @ \$55	(300)	(77,400)	(88,500)	
Amgen Inc. - April 2001 @ USD \$65	(100)	(101,752)	(152,027)	
Anderson Exploration Ltd. - February 2001 @ \$30	(183)	(43,554)	(16,470)	
Anderson Exploration Ltd. - February 2001 @ \$32	(183)	(31,659)	(4,575)	
Canadian Imperial Bank of Commerce - April 2001 @ \$50	(300)	(81,900)	(131,367)	
Canadian Pacific Ltd. - February 2001 @ \$45	(200)	(30,000)	(39,602)	
Canadian Pacific Ltd. - March 2001 @ \$45	(200)	(22,600)	(61,000)	
Celestica Inc. - February 2001 @ \$90	(100)	(63,800)	(195,500)	
Loblaw Companies Ltd. - April 2001 @ \$51	(210)	(41,370)	(16,892)	
Manulife Financial Corp. - April 2001 @ \$44	(300)	(61,200)	(55,647)	
Nexen Inc. - March 2001 @ \$35	(275)	(39,600)	(51,634)	
Nextel Communications Inc. - March 2001 @ USD \$35	(160)	(90,525)	(126,126)	
Nortel Networks Corp. - February 2001 @ \$50	(200)	(144,600)	(192,000)	
Oracle Corp. - March 2001 @ USD \$35	(140)	(83,215)	(26,277)	

Statement of Investments (continued)

January 31, 2001

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options (continued)				
Written Covered Call Options (continued) (100 Shares per Contract)				
Petro-Canada - February 2001 @ \$40	(175)	(16,147)	(5,250)	
Petro-Canada - March 2001 @ \$40	(175)	(20,650)	(5,250)	
Royal Bank of Canada - February 2001 @ \$50	(200)	(29,600)	(9,000)	
Sun Life Financial Services of Canada - April 2001 @ \$38	(200)	(32,100)	(27,500)	
Thomson Corp. - April 2001 @ \$58	(200)	(41,800)	(50,640)	
Toronto-Dominion Bank - April 2001 @ \$48	(150)	(31,950)	(16,500)	
Toronto-Dominion Bank - February 2001 @ \$44	(200)	(32,200)	(26,894)	
Total Written Covered Call Options		(1,117,622)	(1,298,651)	(1.5)%
Written Cash Covered Put Options (100 Shares per Contract)				
ATI Technologies Inc. - April 2001 @ \$10	(370)	(45,510)	(34,724)	
Placer Dome Inc. - April 2001 @ \$14	(450)	(46,350)	(73,125)	
Wal-Mart Stores Inc. - March 2001 @ \$50	(170)	(52,949)	(25,526)	
Total Written Cash Covered Put Options		(144,809)	(133,375)	(0.2)%
Total Options		(1,262,431)	(1,432,026)	(1.7)%
Total Investments		\$86,194,087	\$86,652,625	100.0%

Statements of Financial Highlights

Years ended January 31

	2001	2000	1999*
Data Per Unit - Class A Shares			
Net Asset Value, Beginning of Year	\$ 14.61	\$ 12.77	\$ 14.25**
Income from Investment Operations			
Net investment income	0.45	0.36	0.72
Net gain (loss) on investments	2.26	3.28	(1.09)
Total from investment operations	2.71	3.64	(0.37)
Distributions to Shareholders			
From net investment income	-	-	(0.25)
From net realized gains on sale of investments	(2.75)	(1.80)	(0.86)
Total distributions	(2.75)	(1.80)	(1.11)
Net Asset Value, End of Year	\$ 14.57	\$ 14.61	\$ 12.77
Ratios/Supplemental Data			
Total net assets (Class A shares), end of year (\$millions)	\$ 47.98	\$ 58.91	\$ 58.88
Average net assets (Class A shares) (\$millions)	\$ 57.81	\$ 62.00	\$ 55.28
Management expense ratio	1.54%	1.43%	1.92%
Portfolio turnover rate	53.69%	79.27%	77.37%
Annual rate of return	18.56%	28.52%	N/A

* For the period from inception on February 12, 1998 to January 31, 1999.

** Net of agent fees.

Notes to the Financial Statements

1. Corporate Information

The Company is a mutual fund corporation incorporated under the laws of the Province of Ontario on December 5, 1997. The Company was inactive prior to the initial public offering of Preferred Shares and Class A Shares on February 12, 1998. All shares outstanding on February 1, 2008 will be redeemed by the Company on that date.

The Company invests in a diversified portfolio consisting principally of common shares issued by some or all of the group of corporations selected from TSE 300 Index. The Company may invest up to 20% of the cost amount of its assets in common shares issued by some or all of a group of corporations selected from the Standard & Poor's 100 Index.

To generate additional returns above the dividend income earned on the portfolio, the Company will from time to time write covered call options in respect of all or part of the common shares in the portfolio. In addition the Company may write cash covered put options in respect of securities in which the Company is permitted to invest. The Company may also use put options to preserve the value of the portfolio where appropriate. From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province or the government of the United States or short-term commercial paper with a rating of at least R-1(mid).

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies:

Investment valuation policies

Investments are recorded in the financial statements at their market value at the end of the period, determined as follows:

Shares or other securities for which market quotations are readily available are valued at the closing sale price or, if there is no sale price, the average of the closing bid and ask prices.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Short-term investments are valued at cost plus accrued interest which approximates market values.

Policies for the recognition of investment appreciation, depreciation and income

Realized gains and losses on investment sales, which are included in income, and unrealized appreciation or depreciation in investment values, which are included in a separate component of shareholders' equity, are calculated on the average cost basis.

Option premiums paid or received are deferred and included in investments on the statement of financial position. Income is recognized when options are exercised, expired or are closed out.

Deferred gains and losses on options are recognized in investments and as a component of net unrealized appreciation (depreciation) in the value of investments in shareholders' equity.

Dividend income is recognized on the ex-dividend date. Interest income is recognized when earned.

3. Statements of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

(a) Net investment income (loss) per Class A Share is calculated based on the weighted average number of Class A Shares outstanding during the year.

(b) Net gain (loss) on investments per Class A Share includes the impact of timing of shareholder transactions.

(c) Distributions to Class A shareholders are based on the number of Class A Shares outstanding on the record date for each distribution.

(d) Management expense ratio is the ratio of all fees and expenses, including income taxes, charged to the Company to average net assets.

(e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year.

(f) Annual rate of return represents the historical annual total rate of return of an investment in a Class A Share for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Company was established.

4. Share Capital

The Company is authorized to issue an unlimited number of Preferred and Class A Shares and 1,000 Class B Shares.

Issued and outstanding:

	2001	2000
3,293,415 Preferred Shares (2000 - 4,030,880)	\$ 49,401,225	\$ 60,463,200
3,293,415 Class A Shares (2000 - 4,030,880)	\$ 43,614,295	\$ 55,389,567
1,000 Class B Shares	1,000	1,000
	\$ 43,615,295	\$ 55,390,567

All Preferred Shares and Class A Shares outstanding on February 1, 2008 will be redeemed by the Company on that date.

Preferred Shares and Class A Shares may be surrendered at any time for retraction at specified retraction amounts. Holders of Preferred Shares and Class A Shares may concurrently retract one Preferred Share and one Class A Share on a January 31 valuation date at their net asset values. Shares retracted at any other valuation date or not retracted concurrently at a January 31 valuation date will be retracted at a discount to net asset value. Under the terms of a Recirculation Agreement, the Company may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Preferred Shares and Class A Shares tendered for

retraction. The Preferred Shares rank in priority to the Class A Shares and the Class A Shares rank in priority to the Class B Shares with respect to the payment of dividends and repayment of capital on the dissolution, liquidation or winding up of the Company.

The holders of Class B Shares are not entitled to receive dividends. The Class B Shares are retractable at a price of \$1.00 per share.

Class B Shares are entitled to one vote per share. Preferred Shares and Class A Shares are entitled to vote on certain shareholder matters.

The Company's Preferred Shares have been classified as liabilities in accordance with the accounting guidelines of The Canadian Institute of Chartered Accountants. Accordingly, net income for the year is stated after Preferred Shares distributions.

A net of 737,465 units (2000 - 578,080 units) were redeemed in the year.

5. Management Fees and Expenses

The Company is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the trustee and manager in the ordinary course of business relating to the Company's operations.

Fees are paid to Mulvihill Capital Management Inc. ("MCM") under the terms of an investment management agreement and to Mulvihill Fund Services Inc. ("Mulvihill") under the terms of a management agreement. The fees are comprised of monthly fees calculated at 1/12 of 1.15% and 1/12 of 0.10%, respectively, of the net asset value plus the Preferred Shares.

6. Income Taxes

The Company is a "mutual fund corporation" as defined in the Income Tax Act (Canada) (the "Act") and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances. The Company is generally subject to a tax of 33 1/3% under Part IV of the Act on taxable

Notes to the Financial Statements

dividends received in the year. This tax is fully refundable upon payment of sufficient dividends. The Company is also subject to tax on the amount of its interest and foreign dividend income that is not offset by operating expenses and share issue expenses. No tax is payable in respect of this tax for the current year (2000 - Nil).

The Company is also a "financial intermediary corporation" as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received nor is it generally liable to tax under Part VI.1 on dividends paid on taxable preferred shares.

7. Distributions to Preferred Shareholders

Distributions per Preferred Share paid to shareholders during the period were allocated as follows:

	2001	2000	1999
Taxable dividends	\$ 0.3110	\$ 0.3303	\$ 0.2351
Capital gains dividends	0.5488	0.5283	0.5666
	\$ 0.8598	\$ 0.8586	\$ 0.8017

Preferred Shares are entitled to a cumulative preferential quarterly dividend of \$0.20625 per share payable on the last day of April, July, October and January in each year. To the extent that a quarterly dividend is a capital gains dividend funded by net realized capital gains or option premiums, holders of Preferred Shares will receive an additional capital gains dividend of \$0.068 for each \$1.00 of Preferred Share dividend so funded.

8. Commissions

Total commissions paid for the year ended January 31, 2001 were \$214,660 (2000 - \$177,315).

9. Financial Instruments and Risk Management

The value of the Company's assets and liabilities is affected by changes in interest rates and equity markets. The Company manages these risks through the use of various risk limits and trading strategies. The Company's assets and liabilities are included in the statements of financial position at market value.

10. Statement of Portfolio Transactions

The Company will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any shareholder to the Company at:

121 King Street West, Suite 2600,
Toronto, Ontario M5H 3T9.

Mulvihill Capital Management Inc.

Mulvihill Capital Management Inc. is a leading Canadian investment counselor responsible for the care of institutional and personal assets. The company manages corporate, pension, insurance, endowment, trust and mutual funds under a wide variety of investment mandates. Founded in 1985 as CT Investment Counsel Inc., the investment arm of Canada Trust, the company emerged in 1995 as an independent company operated by a cohesive team of senior managers and owners who have been together for more than a decade. The company's scale and independent structure allow it to provide clients with a uniquely customized approach to asset management.

The Mulvihill Funds are managed by Mulvihill Capital's structured finance group. This area of the company concentrates exclusively on creating and managing products tailored to meet very specific investment objectives. Assets are generally managed to meet specific absolute return levels rather than taking on the additional risk of targeting relative returns. This methodology allows the company to make investment decisions that meet the client's needs rather than to make investments to rival the competition.

Mulvihill's personal asset management division, Mulvihill Wealth Management, offers a comprehensive specialized approach tailored to clients' personal strategies. This not only relieves the client's burden of day-to-day investment decisions but also provides financial peace of mind for today and tomorrow. The company's personalized service and customized reporting assure that its powerful team of professionals is always working toward your current objectives and that you are fully aware of the progress you are making.

Mulvihill's reputation has been built on its ability to provide customized portfolios that meet the stated needs of its clients. The Premium Income investments are prime examples of that customized approach to asset management.

Other Premium Income products within the Mulvihill Group which traded on the Toronto Stock Exchange over the past year are as follows:

	Symbol	High	Low
First Premium Income Trust	FPI.UN	\$ 28.95	\$ 25.00
First Premium U.S. Income Trust	FPU.UN	\$ 27.15	\$ 24.20
First Premium Oil & Gas Income Trust	FPG.UN	\$ 10.30	\$ 7.25
60 Plus Income Trust	SIX.UN	\$ 29.50	\$ 25.50
Global Plus Income Trust	GIP.UN	\$ 27.00	\$ 23.00
Digital World Trust	DWT.UN	\$ 17.25	\$ 13.75
Pro-AMS U.S. Trust	PAM.UN	\$ 26.50	\$ 24.95
Premium Income Corporation	PIC.A/PIC.PR.A	\$ 12.00/15.90	\$ 10.00/14.15
MCM Split Share Corp.	MUH.A/MUH.PR.A	\$ 18.45/15.10	\$ 14.00/13.25
Global Telecom Split Share Corp.	GT.A/GT.PR.A	\$ 22.90/14.75	\$ 14.90/13.25

Board of Directors¹/Advisors²

John P. Mulvihill*

Chairman & President,
Mulvihill Capital Management Inc.

David N. Middleton

Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner*

Corporate Director

Robert W. Korthals*

Corporate Director

C. Edward Medland*

President, Beauwood Investments Inc.

* Audit Committee

¹ Corporation

² Trusts

Information

Auditors:

Deloitte & Touche LLP
BCE Place
181 Bay Street, Suite 1400
Toronto, Ontario M5J 2V1

Transfer Agent:

Computershare
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Shares Listed:

Toronto Stock Exchange trading under
FPI.UN, FPU.UN, FPG.UN, SIX.UN, GIP.UN,
DWT.UN, PAM.UN, MUH.A, MUH.PR.A

Trustee:

Royal Trust
Royal Trust Tower
77 King Street West, 11th Floor
Toronto, Ontario M5W 1P9

Other Premium Funds Managed by Mulvihill Capital Management Inc.

Mulvihill First Premium Funds

First Premium Income Trust
First Premium U.S. Income Trust
First Premium Oil & Gas Income Trust
60 Plus Income Trust
Global Plus Income Trust
Global Telecom Split Share Corp
MCM Split Share Corp.

Mulvihill Summit Series

Digital World Trust

Mulvihill Mutual Funds

Mulvihill Canadian Money Market Fund
Mulvihill Canadian Bond Fund
Mulvihill Canadian Equity Fund
Mulvihill Global Equity Fund
Mulvihill U.S. Equity Fund
Premium Global Income Fund
Premium Canadian Income Fund

Mulvihill Platinum Series

Pro-AMS U.S. Trust

Head Office

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Visit our website at www.mulvihill.com for additional information on all Premium Income Funds.



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